THE CARBON FIXATION

How Philanthropy and Aid Miss the Real Crisis

The Carbon Fixation:

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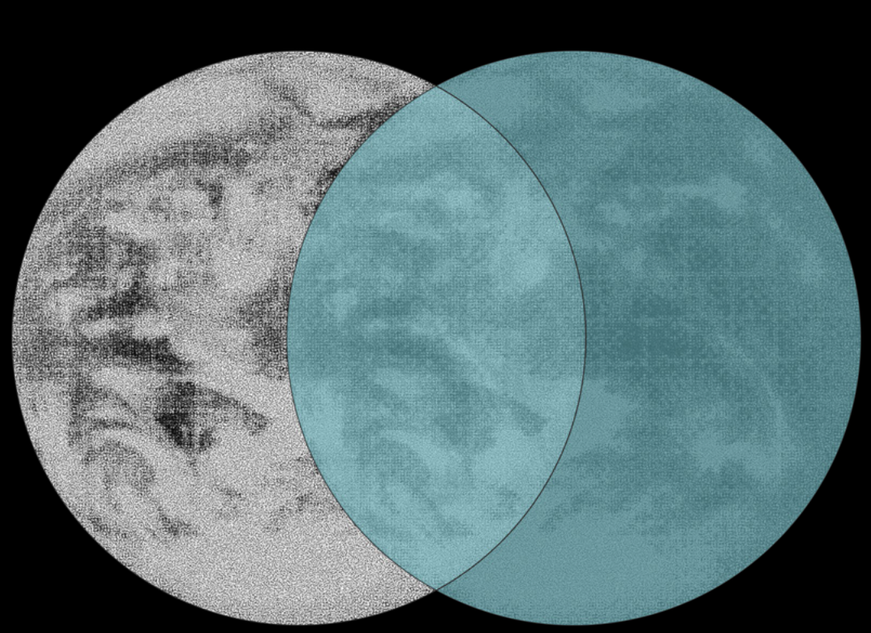
This report challenges the dominant approaches in climate philanthropy and climate aid, which are heavily focused on technological solutions and market-driven strategies that prioritize economic growth and measurable outcomes. While these models aim to reduce carbon emissions, they often ignore the root causes of climate change, such as global inequality, resource extraction, and overconsumption, all while reflecting Northern-centric interests. By critiquing this technocratic, top-down approach, the report advocates for a shift toward more inclusive, community-driven solutions that prioritize justice, equity, and long-term sustainability. It calls for a reimagining of climate finance to address both environmental and social justice in the fight against the climate crisis.



By Culture Hack Labs (2024)

In recent years, climate philanthropy and climate aid have been presented as critical tools in the global effort to mitigate climate change. However, behind their well-intentioned façades, both systems reveal deep structural issues that perpetuate the economic paradigms responsible for the crisis.

Central to these approaches is the persistent belief in economic growth as compatible with climate action. The global flow of funds, largely driven by Northern donors and economic interests, often reflects this belief in green growth, despite evidence to the contrary.

In 2022, climate philanthropy directed an estimated $7.8 billion to technocratic solutions such as clean energy and industrial decarbonization. These efforts are often lauded for their measurable impact—such as carbon reduction—but they fail to address the complex systemic drivers of climate breakdown, including resource extraction, economic inequality, and overconsumption. While these projects do succeed in cutting emissions on a surface level, they are aligned with maintaining the current capitalist economic model rather than shifting to a more sustainable system. Philanthropy continues to overlook alternative solutions such as degrowth or bioregionalism, which challenge the assumption that we can grow our way out of the climate crisis.

Similarly, climate aid, which is largely governed by OECD countries, allocated billions to carbon offset schemes in the Global South. These schemes, while promoting the idea of reducing emissions, often fail to address the real needs of the most climate-vulnerable regions. For example, much of the aid in 2021 was focused on carbon offsets and market-based solutions, with approximately $100 billion pledged by wealthy nations to help developing countries cope with climate change. However, a significant portion of this was recycled from existing development funds, and the actual new resources provided fell far short of the intended targets. Furthermore, the focus on offsetting emissions allows wealthy nations to continue polluting, while using the South as a carbon sink, effectively maintaining global inequalities under the guise of climate aid.

Both climate philanthropy and climate aid are built on the false promise of green growth—the idea that economies can continue expanding while reducing emissions. Despite technological advancements, global emissions rose by 1.6% in 2022, highlighting the limitations of this model. The notion that growth and sustainability can coexist ignores the fundamental contradiction between capitalist expansion and the planet's finite resources. The belief that net-zero emissions can be achieved under current conditions is increasingly seen as an illusion, as the underlying drivers of climate destruction—consumption, extraction, and inequality—remain unaddressed.

A new paradigm for climate finance is urgently needed. Both philanthropy and aid must move beyond short-term, measurable fixes and embrace holistic, community-driven solutions that prioritize justice, equity, over growth. Approaches like degrowth, bioregionalism, and local resilience-building offer more sustainable and just alternatives - gesturing to a viable transition to post capitalist realities. By addressing the deeper systemic issues at play, climate finance can finally begin to create the long-term, transformative change needed to truly combat the climate crisis.

Summary

Climate philanthropy and climate aid have become little more than tools for maintaining the very systems they claim to challenge. Trapped in the logic of technocratic fixes and growth-obsessed narratives, these models prioritize carbon metrics and measurable outcomes while ignoring the deep-rooted social and economic inequalities driving the crisis. Billions are funneled into clean energy and decarbonization, yet these efforts serve the interests of wealthy Northern donors, allowing resource extraction and global exploitation to continue unchecked. Meanwhile, climate aid, far from supporting the most vulnerable, often repurposes development funds to protect Northern economies, reinforcing the same inequalities that fuel climate destruction. If we are to confront this crisis head-on, we need a radical departure from this growth-driven paradigm—one that centers local knowledge, community empowerment, and alternative economic models like degrowth, pushing for systemic transformation rather than perpetuating the illusion of sustainability.

As the climate crisis intensifies, it's clear that a new paradigm for climate finance is needed—one that moves beyond the Northern-centric, technocratic approaches and embraces local knowledge, community empowerment, and transformative, just solutions that can deliver true sustainability and resilience for all.

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Climate Philanthropy: Over-Reliance on Technology and Growth-Oriented Solutions

The analysis found that the landscape of climate philanthropy remains dominated by a focus on technology-driven solutions and growth-oriented strategies, with significant investments channeled into sectors that align with the interests of wealthy Northern donors. While there is no denying that advancements such as clean energy and industrial decarbonization are essential components of climate action, this approach often overlooks the deeper systemic drivers of the crisis—namely economic inequality, resource extraction, and the entrenched power imbalances that fuel environmental degradation. This narrow focus risks perpetuating the very systems that caused the crisis in the first place. To truly address the root causes of climate change, a fundamental rethinking of how philanthropy operates is needed—one that moves beyond technocratic fixes and instead embraces approaches that prioritize equity, social justice, and long-term ecological resilience.

Key Insights

1. **Carbon-Centric Focus:** Philanthropy heavily funds clean energy and industrial decarbonization, which provide measurable results but fail to address systemic issues like inequality and resource extraction.
2. **Northern-Centric Bias:** The majority of funding goes toward initiatives that align with Northern interests, often overlooking Indigenous knowledge systems and community-led efforts in the Global South.
3. **Neglect of Alternative Models:** Philanthropy remains attached to the growth-centric narrative, ignoring alternative economic models such as degrowth or bioregionalism, which challenge the sustainability of perpetual economic growth.
4. **Quantification Over Transformation:** There is an overemphasis on quantifiable outcomes, such as tons of CO2 reduced, at the expense of holistic, transformative solutions that address behavioral, political, and cultural change.
5. **Missed Opportunity for Systemic Change:** A deeper, integrated approach that supports grassroots movements and local resilience-building is needed, shifting the focus from quick technological fixes to long-term societal and ecological transformation.

Climate Aid: Failing to Address Global Inequality and Systemic Issues

The examination of climate aid found that despite being framed as a mechanism to assist vulnerable nations in adapting to the effects of climate change, it frequently falls short of its promise. A significant portion of aid from OECD countries is repurposed from existing development funds, with its distribution often reflecting the economic and political interests of donor nations rather than the needs of recipient countries. Instead of prioritizing adaptation and resilience-building in the Global South, this form of aid often reinforces the very global inequalities that contribute to the climate crisis. This misalignment undermines the potential for aid to address the structural drivers of climate vulnerability, highlighting the need for a more equitable and genuinely transformative approach to climate assistance.

Key Insights

1. **Misallocated and Recycled Aid:** A significant portion of climate aid consists of recycled development funds, allowing donor countries to meet obligations on paper without contributing new resources to the regions most in need.

2. **Carbon Offsetting Schemes:** Aid projects often focus on carbon offsetting, which benefits Northern economies by enabling them to continue polluting while offsetting emissions in the Global South, with little local benefit.

3. **NATO and Military Spending:** A large share of aid donors prioritize military spending over climate aid, as evidenced by the disparity between NATO military budgets and climate aid contributions. This highlights the misaligned priorities of donor nations, where defense takes precedence over addressing the climate crisis.

4. **Global Inequality:** Aid is often distributed in a way that reflects the economic interests of donor countries rather than addressing the real climate vulnerabilities in recipient nations, particularly those in Africa, Asia, and Latin America.

5. **Technocratic, Market-Driven Approaches:** Like climate philanthropy, climate aid often emphasizes market-based solutions—such as carbon trading and large-scale renewable energy projects—which do little to empower local communities or address the systemic drivers of climate vulnerability.

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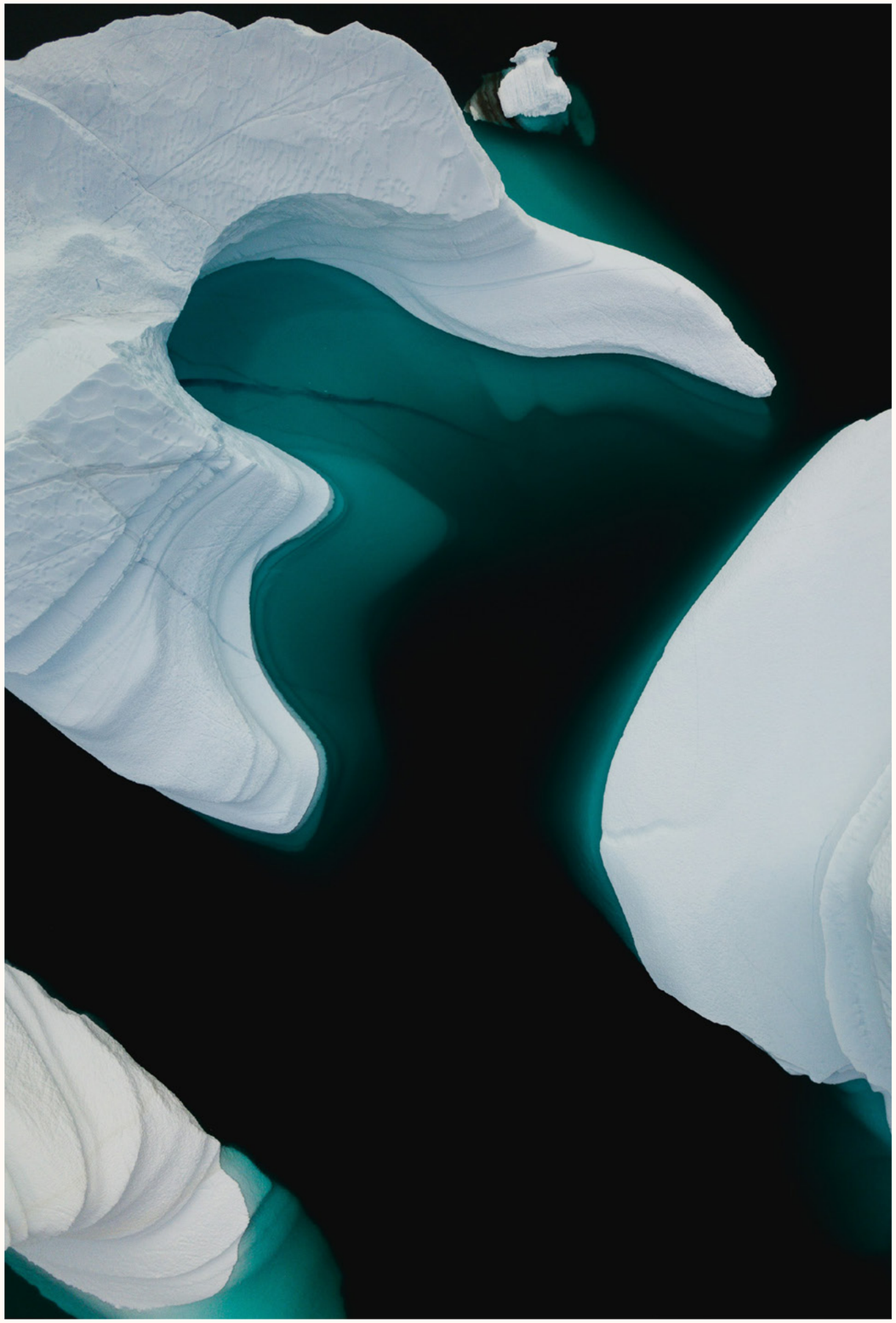

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SECTIONS.

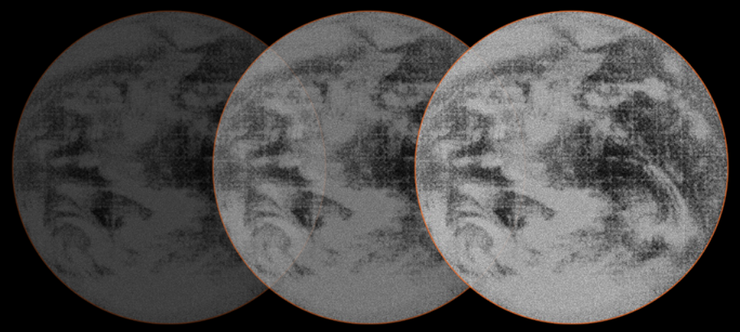
01 **Climate Philanthropy:**
The Narrow Focus on Carbon and Its Limitations

02 **Climate Aid:**
The Illusion of Climate Aid: A System Serving the North

Section 01:

Climate Philanthropy

Decoding Climate Philanthropy:
The Narrow Focus on Carbon and Its Limitations



Climate philanthropy has firmly positioned itself as a key actor in the global response to environmental crises, yet it remains largely beholden to a technocratic worldview that fixates on carbon reductions and technological fixes. This narrow focus, though well-intentioned, reflects a deeper failure to confront the systemic drivers of climate breakdown: the relentless pursuit of economic growth, unchecked resource extraction, and the exploitation of vulnerable populations. By prioritizing CO2 reductions as the ultimate metric of success, climate philanthropy misses the opportunity to challenge the structural inequalities and economic paradigms responsible for environmental degradation[1][2].

The 2023 Funding Trends report from ClimateWorks makes it abundantly clear: the overwhelming majority of funding flows into sectors like renewable energy and electric vehicles—areas that promise scalability and predictability, but fail to address the root causes of the crisis[3]. These investments align neatly with the interests of Northern donors, who favor technological solutions that fit within existing economic structures. But this approach risks reinforcing the very systems of overconsumption and global inequality that drive climate change. By focusing narrowly on carbon metrics, climate philanthropy risks perpetuating the myth of green growth—the idea that we can continue expanding economies while reducing emissions. This myth is not only misleading, but fundamentally at odds with the reality of finite planetary boundaries[4].

What is desperately needed is a radical departure from this carbon-centric logic. Climate philanthropy must broaden its scope to embrace alternative frameworks like degrowth and ecological justice—approaches that challenge the hegemony of endless growth and call for reduced consumption, especially in the Global North[5][6]. These transformative models offer pathways toward true sustainability by addressing both the social and economic inequalities that are often ignored in mainstream climate discourse. Yet, these approaches remain critically underfunded, sidelined in favor of technocratic solutions that offer measurable outcomes but little in the way of lasting systemic change[7].

To truly drive meaningful progress, climate philanthropy must move beyond its reliance on quick technological fixes and engage with strategies that center social justice, community empowerment, and long-term ecological balance. The urgency of the climate crisis demands a more integrated, holistic approach—one that challenges the very foundations of the current economic system, rather than attempting to patch it up with carbon-focused interventions[8].

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1 *Jackson, T. (2017). Prosperity Without Growth: Foundations for the Economy of Tomorrow. Routledge. https://www.routledge.com/Prosperity-Without-Growth/Jackson/p/book/9781138935419*
2 *Escobar, A. (2018). Designs for the Pluriverse: Radical Interdependence, Autonomy, and the Making of Worlds. Duke University Press*
3 *ClimateWorks. (2023). Funding Trends 2023: Tracking Global Philanthropic Funding for Climate Change Mitigation. https://www.climateworks.org/report/2023-funding-trends*
4 *Patel, R. (2022). The Value of Nothing: How to Reshape Market Society and Redefine Democracy. Picador*
5 *Kallis, G. (2018). Degrowth. Agenda Publishing. https://www.agendapub.com/page/detail/de-growth/?k=9781911116790*
6 *Newell, P., & Mulvaney, D. (2013). The Political Economy of the "Just Transition". Geographical Journal, 179(2), 132-140. https://doi.org/10.1111/geoj.12008*
7 *Martinez-Alier, J. (2009). Social Metabolism, Ecological Distribution Conflicts, and Languages of Valuation. Capitalism Nature Socialism, 20(1), 58-87. https://doi.org/10.1080/10455750902727378*
8 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*

Breakdown of Climate Philanthropy Spending (Avg 2018- 2022)

The regional and issue-based breakdown of climate philanthropy spending from 2018 to 2022, as reported by ClimateWorks, reveals critical insights into how current funding priorities align with or fail to challenge the very systems driving the climate crisis. As the bulk of resources are directed toward technological solutions like clean energy and decarbonization, this analysis exposes deeper flaws in philanthropy's approach: a reliance on growth-oriented strategies that seek to mitigate emissions without addressing the economic structures perpetuating environmental harm[9][10]. This section examines how the allocation of funds reinforces a Northern-centric worldview and why this is problematic for achieving long-term sustainability and justice[11].

By breaking down where the funding is going, as outlined in the report, we can see the stark imbalance between market-driven solutions and the underfunded sectors that could support more transformative, community-led approaches[12]. The analysis highlights how even sectors that appear neutral or aligned with sustainability, such as forests or agriculture, are often integrated into models that benefit Northern economies while marginalizing Global South communities[13][14]. Ultimately, this section invites the reader to critically engage with the data and understand the need for a fundamental shift in climate philanthropy—one that not only addresses carbon emissions but confronts the systemic inequalities and growth imperatives embedded in the current global economic system[15].

9 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*
10 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*
11 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*
12 *ClimateWorks. (2023). Funding Trends 2023: Tracking Global Philanthropic Funding for Climate Change Mitigation. https://www.climateworks.org/report/2023-funding-trends*
13 *Patel, R. (2022). The Value of Nothing: How to Reshape Market Society and Redefine Democracy. Picador.*
14 *Escobar, A. (2018). Designs for the Pluriverse: Radical Interdependence, Autonomy, and the Making of Worlds. Duke University Press.*
15 *Galeano, E. (1997). Open Veins of Latin America: Five Centuries of the Pillage of a Continent. Monthly Review Press.*

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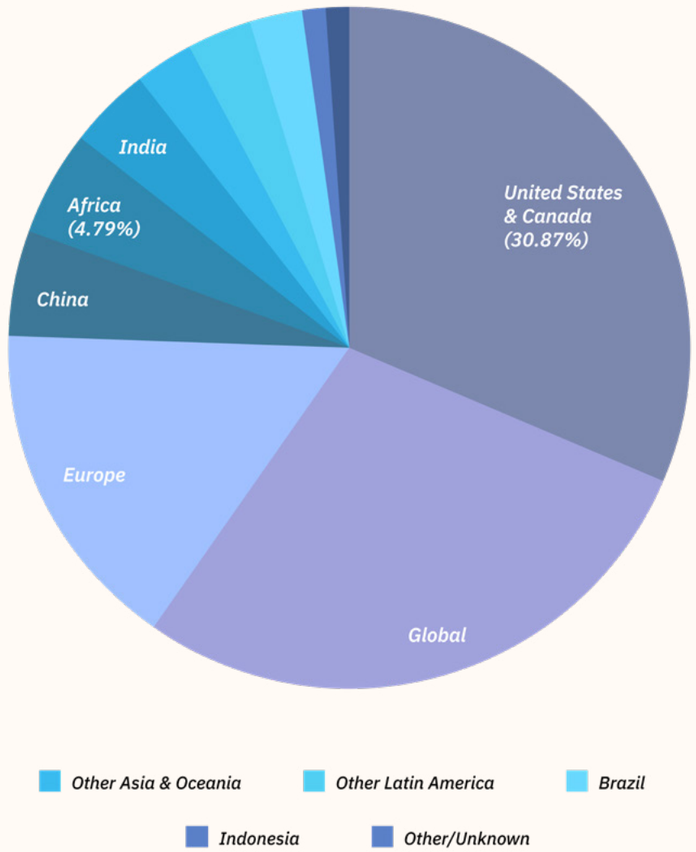
Regional Breakdown of Climate Philanthropy (Average 2018-2022)

Between 2018 and 2022, climate philanthropy continued to pour the majority of its resources into Northern powerhouses like the United States, Canada, and Europe. These regions, often responsible for the lion's share of global emissions, continue to benefit from investments that focus on clean energy, industrial decarbonization, and public engagement. This approach aligns perfectly with the technocratic worldview of wealthy donors but avoids the real systemic drivers of the climate crisis—capitalist growth, resource extraction, and social inequality. The Global South, on the other hand, remains an afterthought, receiving only a fraction of the total funding, despite being the most vulnerable to climate impacts.

Regions like Africa, India, and Latin America remain on the margins of climate finance, receiving token investments in carbon offsets, reforestation, and clean electricity projects. These funds often follow Northern agendas, prioritizing the metrics that matter to the Global North—like carbon reductions—while disregarding community-led adaptation strategies and Indigenous knowledge systems that could lead to true resilience and sustainability. This approach not only sidelines the Global South's expertise but reinforces the global economic structures that caused the climate crisis in the first place.

If we're serious about addressing climate change, it's time to shift funding priorities away from quick fixes and growth-obsessed solutions. Climate philanthropy must be redirected toward grassroots movements, just transitions, and community-led projects that challenge the status quo and create long-term ecological balance. Until then, the funding will remain a Band-Aid on the gaping wound that is the climate crisis.

Average Funding by Region (2018-2022)



Data Source: ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org/report/funding-trends-2023

Breakdown:
United States & Canada: $710 million (30.87%), **Global:** $645 million (28.04%),
Europe: $355 million (15.44%), **China:** $115 million (5.00%), **Africa:** $110 million (4.79%),
India: $90 million (3.91%), **Other Asia & Oceania:** $65 million (2.83%),
Other Latin America: $65 million (2.83%), **Brazil:** $55 million (2.39%),
Indonesia: $30 million (1.30%), **Other/Unknown:** $20 million (0.87%)

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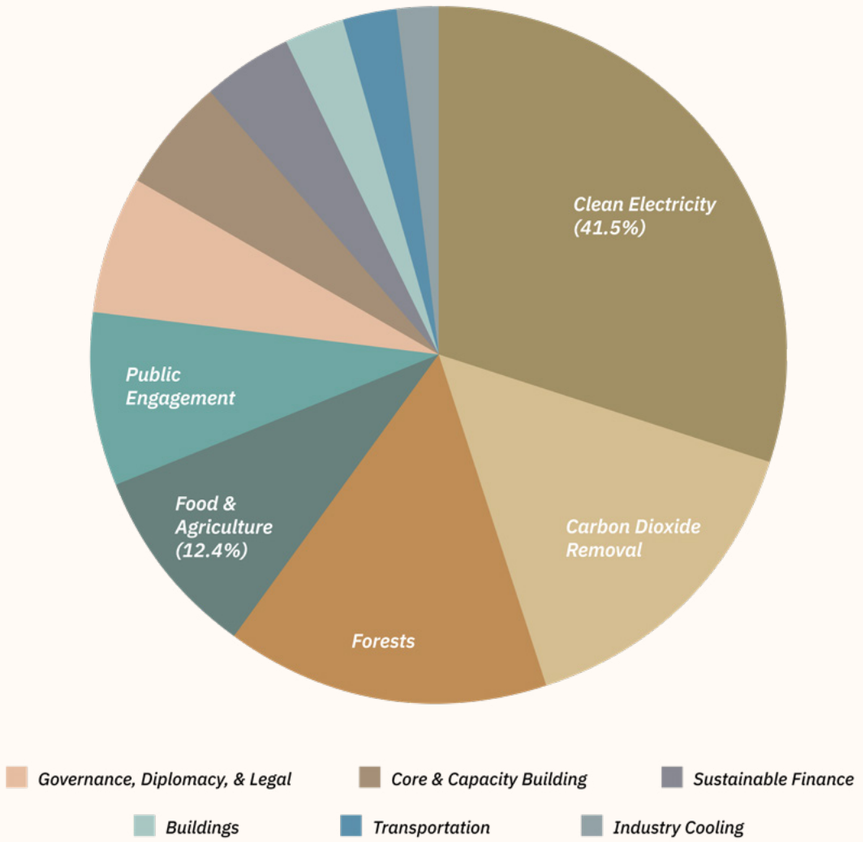
Issue Area Breakdown: Growth-Oriented Strategies and Obfuscated Paradigms

Over the past five years, climate philanthropy has overwhelmingly favored growth-oriented strategies that prioritize technological solutions like clean electricity and carbon dioxide removal. While these sectors—receiving $955 million and $480 million, respectively—offer quantifiable reductions in greenhouse gasses, they operate within the framework of green growth, which seeks to maintain economic expansion while mitigating emissions. This approach assumes that decarbonization alone will suffice to solve the climate crisis, but fails to address the fundamental contradictions of endless growth in a world of finite resources. By maintaining focus on market-based solutions, climate philanthropy is complicit in preserving the same capitalist structures that fuel environmental degradation, rather than seeking to transform them.

What's more troubling is that sectors not explicitly aligned with growth-oriented strategies, such as forests and food & agriculture, also reinforce the growth paradigm. Forests, which received $480 million, are often framed as carbon sinks for offset schemes rather than ecosystems managed by local, Indigenous communities for long-term ecological health. Similarly, the $285 million allocated to food & agriculture focuses on sustainable intensification and industrial agriculture, further entrenching global supply chains that benefit Northern economies at the expense of local sovereignty. The commodification of forests and food systems for carbon credits or more efficient production merely reinforces the idea that we can grow our way out of the climate crisis, a notion that fundamentally ignores the role of consumption patterns and resource extraction in driving climate breakdown.

Even more ambiguous sectors like public engagement ($255 million) and core capacity building ($165 million) are not immune to the obfuscation of growth-centered ideologies. These areas, while seemingly neutral, lack transparency regarding their goals and impact. Without clear accountability mechanisms, public engagement and capacity building risk becoming vehicles for reinforcing the status quo, promoting incremental changes within the existing economic system rather than advocating for deep systemic transformation. In this way, even the sectors that appear to challenge growth may, in reality, simply obscure their alignment with technocratic solutions that fail to question the broader economic system driving the crisis.

Breakdown of Funding (Average 2018-2022)



Data Source: ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org/report/funding-trends-2023

Breakdown:
Clean Electricity: $955 million (41.5%), **Carbon Dioxide Removal:** $480 million (20.8%), **Forests:** $480 million (20.8%), **Food & Agriculture:** $285 million (12.4%), **Public Engagement:** $255 million (11.1%), **Governance, Diplomacy, & Legal:** $200 million (8.7%) **Core & Capacity Building:** $165 million (7.2%), **Sustainable Finance:** $140 million (6.1%), **Buildings:** $80 million (3.5%), **Transportation:** $80 million (3.5%), **Industry Cooling:** $60 million (2.6%)

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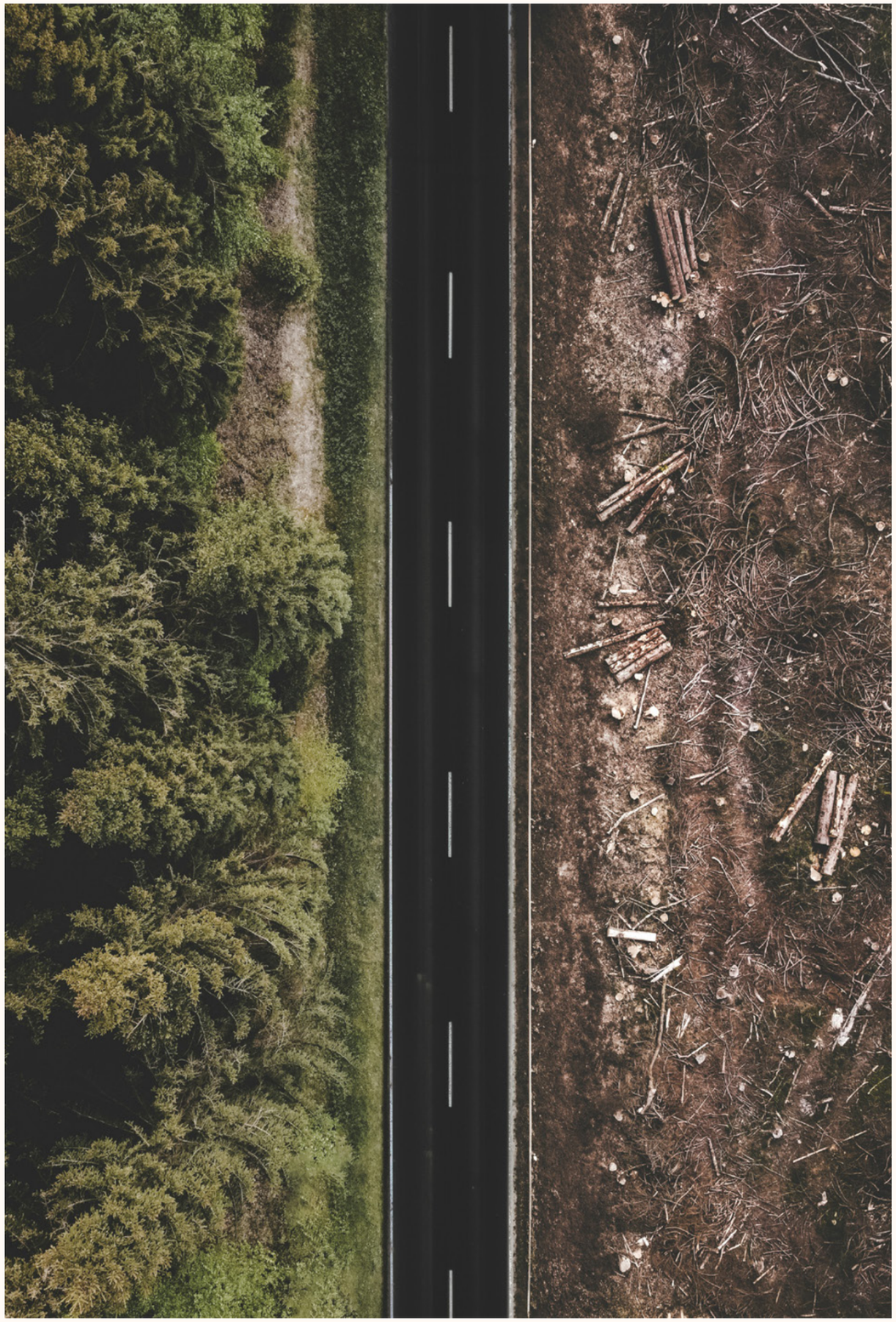
When we categorize climate philanthropy funding, it becomes clear that the majority of sectors—nearly 74%—reinforce technological and market-based solutions that maintain the growth paradigm. Sectors that could offer more transformative approaches, such as forests and food & agriculture, remain ambiguous, often aligning with market-friendly strategies like carbon offsets or sustainable intensification rather than challenging the economic systems driving environmental degradation. Meanwhile, sectors like public engagement and capacity building—which could play a pivotal role in systemic change—are underfunded and lack the transparency needed to ensure they aren't simply reinforcing existing structures.



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Assumptions Intrinsic to Climate Philanthropy

This section critiques the core assumptions that underpin much of climate philanthropy, particularly the belief that economic growth can continue while addressing the climate crisis through technological innovations, an idea often referred to as *green growth*. Central to this belief is the notion that technological progress—such as the adoption of clean energy and electric vehicles—can decouple economic expansion from environmental degradation. The funding patterns of 2022 illustrate this focus, with large investments in technology-driven sectors like clean electricity and decarbonized transportation. However, the effectiveness of this approach is increasingly questioned, particularly in the face of rising global emissions and the growing evidence that technological progress is not keeping pace with the demands of a growing economy.

Despite modest gains in reducing emissions per unit of GDP in some regions, global emissions continue to rise, underscoring the limitations of relying solely on technology to address the climate crisis. The concept of absolute decoupling—where emissions decline while economies grow—remains elusive on a global scale. This raises concerns about the sustainability of the green growth paradigm. As economies continue to expand, so does their demand for energy, materials, and resources, which exacerbates environmental problems beyond carbon emissions, including biodiversity loss and resource depletion. These contradictions between growth and sustainability highlight the need to rethink the dominant strategies in climate philanthropy.

Alternative economic models, such as degrowth, propose reducing consumption and production—particularly in wealthy nations—as a way to achieve true sustainability. Degrowth emphasizes well-being and ecological balance over GDP expansion. However, these approaches receive little attention or funding in the climate philanthropy sphere, which remains focused on technological solutions that support continued economic growth. A more holistic approach would question the assumption of perpetual growth and prioritize long-term sustainability, considering both technological and systemic changes to address the root causes of climate change.

Carbon-Centric Focus: A Narrow Lens

One of the most significant assumptions guiding climate philanthropy is the belief that carbon emissions are the core problem that must be addressed. This carbon-centric worldview is evident in how philanthropic funds are directed primarily toward technological solutions, such as clean electricity and industrial decarbonization. These approaches treat carbon as the ultimate metric of success, with the belief that reducing greenhouse gasses (GHGs) through technological interventions will be sufficient to mitigate climate change[16].

While carbon emissions are certainly a major driver of global warming, this singular focus on carbon reduction limits philanthropy's ability to address the systemic causes of environmental destruction.

The climate crisis is a complex problem that includes issues of social justice, economic inequality, and political power. Carbon reduction alone cannot solve the broader ecological crises—such as biodiversity loss, land degradation, and resource depletion—that are intimately linked with climate change[17].

Moreover, many of the most vulnerable communities in the Global South—who are least responsible for GHG emissions but are most affected by climate change—receive little philanthropic attention. Indigenous land management practices, which often prioritize ecosystem health over carbon metrics, are overlooked because they do not fit neatly into the technocratic, reductionist framework that defines climate philanthropy[18].

16 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*
17 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*
18 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*

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Northern-Centric Concerns Dominate Philanthropic Strategies

Climate philanthropy is disproportionately concentrated in the Global North, particularly in wealthy, industrialized countries where high-tech solutions and market mechanisms are prioritized. The funding patterns of 2022 illustrate this bias clearly. The majority of philanthropic resources went to the U.S., Canada, and Europe, while the most affected peoples and areas such as Africa, Asia, and Latin America received only a fraction of the total funds[19].

This Northern-centric focus reflects the economic and political priorities of Northern philanthropists, who often see technological innovation and carbon trading schemes as the most viable solutions to climate change. However, these strategies frequently ignore the concerns and worldviews of communities in the Global South, where the climate crisis is closely tied to issues of land sovereignty, food security, and cultural survival[20].

For instance, many Indigenous communities are advocating for the recognition of land sovereignty as a key strategy for protecting ecosystems and combating climate change. Indigenous practices such as controlled burns or rotational agriculture are effective in sequestering carbon and promoting biodiversity, but these approaches receive far less funding than high-tech solutions like electric vehicles or carbon capture technologies[21].

By centering Northern concerns and solutions, climate philanthropy fails to recognize the ecological and cultural expertise of Indigenous and local communities, whose holistic approaches to land management could offer more sustainable, long-term solutions[22].

19 *Philanthropy News Digest. (2023). Most climate philanthropy funds go to Global North. Retrieved from https://philanthropynewsdigest.org/news/most-climate-philanthropy-funds-go-to-global-north*
20 *ClimateWorks Foundation. (2023). Catalysing Climate Action in Asia: Unlocking the Power of Philanthropic-Public-Private Partnerships (PPPPs). Retrieved from https://www.eco-business.com/news/catalysing-climate-action-in-asia*
21 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*
22 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*

The Neglect of Degrowth and Alternative Economic Models

A major assumption underlying much of climate philanthropy is that economic growth can continue alongside decarbonization. This idea, known as green growth, suggests that technological advancements will allow for continued expansion of the global economy while reducing GHG emissions. Much of the philanthropic funding in 2022 was directed toward sectors that support this model, such as clean electricity and industrial decarbonization.

However, the assumption that economic growth and environmental sustainability can coexist has been increasingly challenged. Evidence shows that absolute decoupling—the idea that economies can grow without increasing their environmental impact—has not occurred at the necessary pace. Even in regions where emissions per unit of GDP have decreased, overall emissions continue to rise globally[23].

The model of degrowth offers an alternative to this growth paradigm. Degrowth advocates for a reduction in consumption and production, particularly in wealthy countries, as a way to reduce environmental pressures and achieve sustainability. It emphasizes well-being, sufficiency, and ecological balance over economic expansion[24].

Yet, degrowth and other alternative economic models receive little attention or funding in the philanthropic sphere. Instead, climate philanthropy remains fixated on technological fixes that promise to reduce emissions while maintaining economic growth. By neglecting degrowth and post-capitalist frameworks, climate philanthropy fails to challenge the structural drivers of environmental degradation: capitalism's demand for endless growth and resource extraction[25].

23 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*
24 *ClimaTalk. (2023). Why We Need Degrowth Policies. Retrieved from https://climatalk.org/2023/01/20/why-we-need-degrowth-policies*
25 *Nature. (2023). Degrowth can work — here's how science can help. Retrieved from https://www.nature.com/articles/d41586-023-00985-x*

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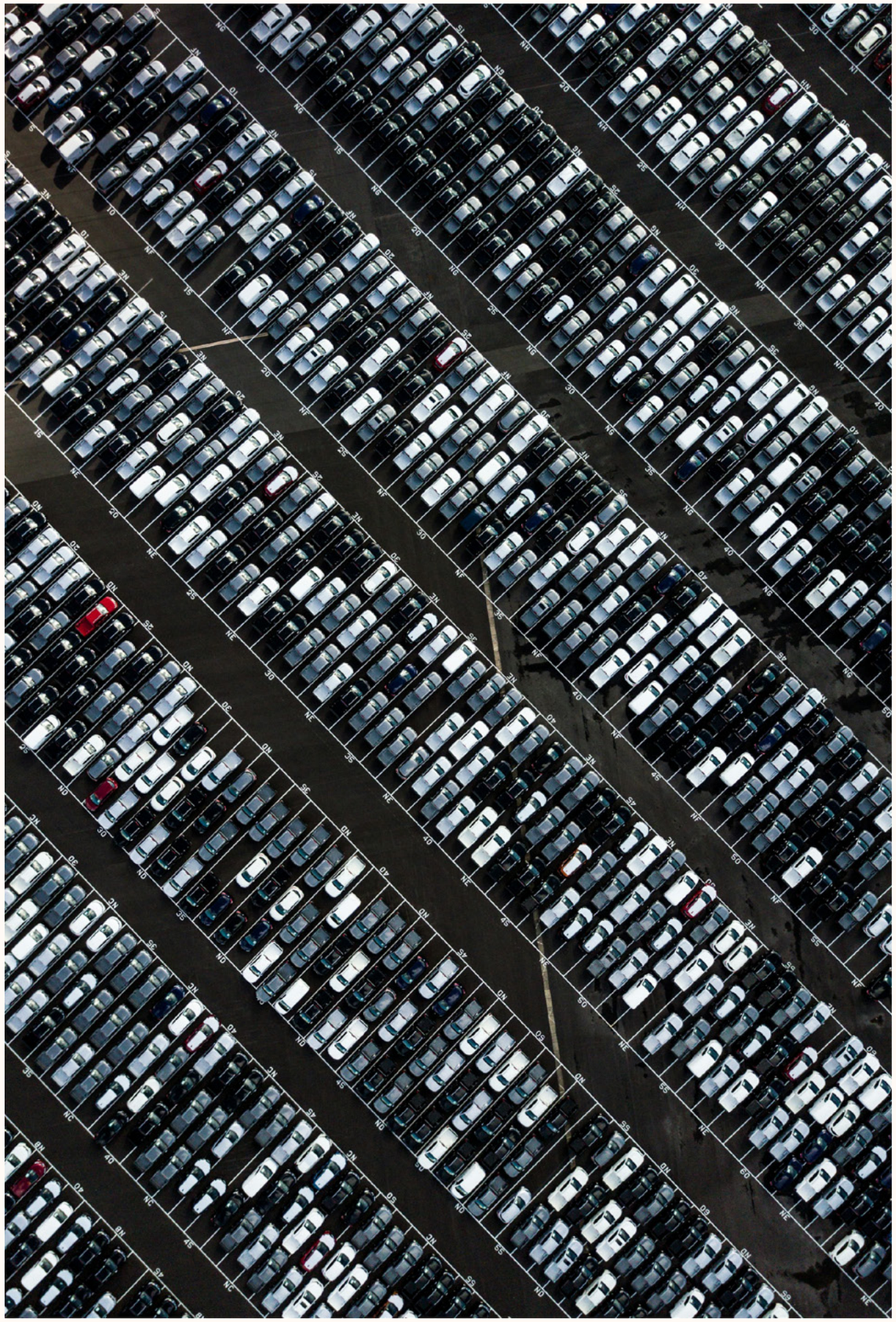

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Selective Use of Evidence

Theories of change in climate philanthropy are often based on selective evidence, tailored to support specific philanthropic agendas. For example, hedge-fund managers may direct funding toward financial mechanisms to drive the climate transition, while tech philanthropists prioritize technological solutions such as clean electricity and transportation decarbonization. The 2022 funding patterns reflect this bias, with significant investments going into sectors aligned with donors' preferences, like clean energy and decarbonization of industry[26,27].

While these investments are important, they represent a narrow perspective that assumes the preferred solutions—whether technological, financial, or policy-driven—are inherently the most effective. For instance, hedge fund manager-backed philanthropies focus heavily on financial mechanisms like carbon markets, while Silicon Valley tech donors support technological innovations that mirror their professional experiences[28,29].

However, these approaches often sideline community-driven, behavioral, or political reforms that may offer more sustainable long-term solutions[30].

A more evidence-based approach would first involve gathering comprehensive data to inform which strategies are the most effective in various contexts. Current data on the effectiveness of climate philanthropy is limited. Research shows that philanthropic efforts often assume top-down solutions, overlooking key grassroots and community-led efforts, which may be more effective at addressing climate change in vulnerable regions[31]. As philanthropy grows, more rigorous research is needed to identify the most impactful strategies, beyond the market-driven or technological frameworks preferred by many large donors[32].

26 *ClimateWorks Foundation. (2023). Philanthropy is stepping up on climate — but there's a lot more work to do. Retrieved from https://www.climateworks.org/blog/philanthropy-is-stepping-up-on-climate-but-theres-a-lot-more-work-to-do*

27 *ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org/report/funding-trends-2023*

28 *Waging Nonviolence. (2022). Philanthropy must spend big on movements, not markets. Retrieved from https://wagingnonviolence.org/2022/09/philanthropy-must-spend-big-on-movements-not-markets*

29 *ClimateWorks Foundation. (2021). The rise of Silicon Valley in climate philanthropy. Retrieved from https://www.climateworks.org/insights/rise-of-silicon-valley-climate-philanthropy*

30 *Global Greengrants Fund. (2023). Funding grassroots solutions: A climate philanthropy gap. Retrieved from https://www.greengrants.org/2023/08/grassroots-climate-philanthropy-gap*

31 *UNEP. (2022). The role of philanthropy in supporting climate justice. Retrieved from https://www.unep.org/resources/role-philanthropy-climate-justice*

32 *Center for Effective Philanthropy. (2022). Trends in climate philanthropy and challenges to impact. Retrieved from https://cep.org/climate-philanthropy-trends*

Linear Thinking in a Complex System

Philanthropic strategies often assume that the climate system operates in a linear fashion, where inputs such as funding for electric vehicles or industrial decarbonization will predictably lead to outputs like reduced emissions. Trends reflect this thinking, with large investments in sectors like transportation, clean energy, and industrial decarbonization. However, this approach risks oversimplifying the complexity of the climate system, which has many interconnected elements that can produce unpredictable and non-linear outcomes[33].

For example, while clean electricity was the top-funded sector in 2022, addressing the climate crisis requires more than just technological solutions. Political and economic systems that continue to promote fossil fuel consumption must also be transformed[34]. Focusing narrowly on technology might lead to short-term emissions reductions, but without tackling the structural drivers of climate change—such as the economic models based on continuous growth and resource extraction—philanthropic efforts may miss the opportunity to create lasting, systemic change[35].

To truly address the climate crisis, philanthropy must adopt a systems-thinking approach that recognizes the complex interactions between different sectors and regions. The focus on technology and decarbonization should be balanced with efforts to transform political systems, shift cultural values, and reform governance structures[36]. Funding should not only target outputs like clean energy but should also be directed toward transforming the underlying systems that perpetuate environmental harm.

33 *ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org/report/funding-trends-2023*
34 *SSIR. (2022). Climate Philanthropy Must Challenge Itself. Retrieved from https://ssir.org/articles/entry/climate_philanthropy_must_challenge_itself*
35 *Bridgespan. (2023). Winning on Climate Change: How Philanthropy Can Spur Major Progress. Retrieved from https://www.bridgespan.org/insights/library/philanthropy/winning-on-climate-change*
36 *SSIR. (2023). The Challenge of Complex Systems in Climate Action. Retrieved from https://ssir.org/articles/entry/the_challenge_of_complex_systems_in_climate_action*

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Quantification Bias

Climate philanthropy often emphasizes quantifiable outcomes, such as the tons of CO2 reduced or the number of electric vehicles deployed. This focus on measurable metrics is evident in the 2022 funding priorities, where sectors like clean electricity and transportation decarbonization attracted significant investments due to their ability to provide easily trackable results. For instance, major philanthropic investments in EV adoption and renewable energy continue to dominate because their outcomes are measurable and fit into the "cost-per-ton" framework, which prioritizes measurable emissions reductions per dollar spent[37].

However, not all crucial factors contributing to climate change are easily quantifiable. Behavioral change, cultural shifts, and even the psychological impacts of climate anxiety are vital but difficult to measure. These more intangible contributors are often underfunded despite their significance in driving long-term, systemic change. For instance, grassroots movements and community-led initiatives—while essential to building local resilience—often receive less attention because their success cannot be captured through simple metrics like the number of carbon credits purchased or vehicles electrified[38].

This overemphasis on quantifiable outcomes reflects a reductionist approach to climate change, which favors immediate, measurable impacts over long-term transformation. Quantification bias also limits philanthropic efforts in addressing socio-cultural dimensions like the psychological toll of climate-induced disasters or the cultural significance of biodiversity loss—elements that are crucial for building broader public engagement and resilient communities[39].

A more integrated approach is needed in climate philanthropy, one that values both measurable and immeasurable contributions to the challenge of the metacrisis. A framework that balances quantifiable outcomes with qualitative impacts—such as behavioral shifts, cultural changes, and the promotion of ecological integrity—is critical for achieving sustainable, systemic change.

37 *ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org/report/funding-trends-2023*
38 *Waging Nonviolence. (2022). Philanthropy must spend big on movements, not markets. Retrieved from https://wagingnonviolence.org/2022/09/philanthropy-must-spend-big-on-movements-not-markets*
39 *Global Greengrants Fund. (2023). Funding grassroots solutions: A climate philanthropy gap. Retrieved from https://www.greengrants.org/2023/08/grassroots-climate-philanthropy-gap*

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Why This Matters

1. **Limited Focus:** The drive for measurable outcomes can result in a narrow focus on solutions that deliver quick, quantifiable results, such as technology-focused projects, while long-term, systemic solutions are overlooked[40].

2. **Cultural and Behavioral Factors:** Climate change is not only a technological problem but also a cultural and social one. Focusing solely on quantifiable metrics fails to recognize the role of culture, belief systems, and community-led efforts in fostering climate resilience[41].

3. **Missed Opportunities:** By failing to address these immeasurable yet crucial factors, philanthropy may miss the opportunity to tackle the root causes of environmental degradation—namely, the economic and cultural systems that drive unsustainable practices[42].

40 *SSIR. (2023). Climate Philanthropy Must Challenge Itself. Retrieved from https://ssir.org/articles/entry/climate_philanthropy_must_challenge_itself*
41 *UNEP. (2022). The role of philanthropy in supporting climate justice. Retrieved from https://www.unep.org/resources/role-philanthropy-climate-justice*
42 *SSIR. (2023). The Challenge of Complex Systems in Climate Action. Retrieved from https://ssir.org/articles/entry/the_challenge_of_complex_systems_in_climate_action*

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The Myth of Green Growth

Green growth—the idea that economies can continue to grow while reducing emissions through technological innovation—is a central assumption in climate philanthropy. This is evident in the 2022 funding priorities, where sectors like clean electricity and decarbonized transportation received significant investments. However, this concept is increasingly being challenged by the realities of global emissions trends and economic expansion.

Despite technological advances, global emissions continue to rise, making it highly unlikely that net-zero emissions will be achieved by 2050 without addressing the core contradictions between growth and sustainability[43,44]. While some regions have managed relative decoupling—reducing emissions per unit of GDP—absolute decoupling (where emissions decline overall while economies grow) has not occurred at the scale needed[45].

The assumption that technological innovation alone can solve the climate crisis overlooks the material and energy limits of our planet. Continued growth demands increasing resource extraction, which exacerbates environmental degradation in ways beyond emissions, including biodiversity loss and ecosystem destruction[46].

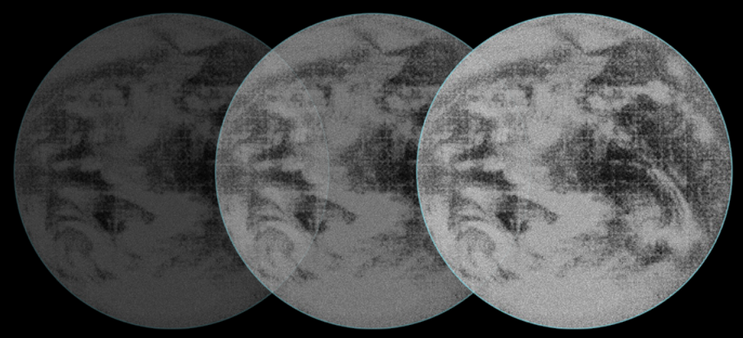
Degrowth offers an alternative model, advocating for reducing consumption and focusing on well-being over GDP expansion, especially in wealthy nations. Yet, degrowth receives little philanthropic attention, as funding remains fixated on technological fixes that allow economies to continue growing[47].

43 *Financial Times. (2023). The myth of green growth. Retrieved from https://www.ft.com*
44 *ClimateWorks Foundation. (2023). Funding trends 2023: Climate change mitigation philanthropy. Retrieved from https://www.climateworks.org*
45 *MDPI. (2024). Decoupling Economic Growth from Carbon Emissions: A Critical Review. Retrieved from https://www.mdpi.com*
46 *Hickel, J. (2020). Less is More: How Degrowth Will Save the World. Windmill Books*
47 *Global Greengrants Fund. (2023). Funding grassroots solutions: A climate philanthropy gap. Retrieved from https://www.greengrants.org*

Section 02:

Climate Aid

The Illusion of Climate Aid: A System Serving the North



Despite the rhetoric of support and cooperation, climate aid often fails to serve the communities it claims to help. Instead, it reinforces global inequalities, particularly the power imbalance between the Global North and the Global South. Much of the climate aid distributed by wealthy, industrialized nations is misaligned with the actual needs of the most vulnerable regions. The OECD countries, which contribute the most to climate aid, frequently recycle existing development funds, rebranding them as climate assistance without providing additional resources. This allows donor nations to meet international obligations on paper while offloading the real costs of climate change onto poorer nations, exacerbating the very problems aid is meant to solve.

A significant issue with climate aid lies in its focus on carbon offset projects, which often benefits the Global North more than the South. Many of these projects—whether reforestation initiatives or renewable energy installations—are designed to offset emissions produced by Northern industries, with limited attention given to the needs of local communities in recipient countries. This approach allows wealthy nations to continue polluting while claiming to be part of the global solution, all while failing to address the systemic issues driving the climate crisis. For countries in the Global South, these projects frequently perpetuate forms of resource extraction and land dispossession, with little tangible benefit to the populations most affected by climate change.

Moreover, the allocation of aid is often based on the economic and political interests of donor countries rather than the urgency of the climate impacts faced by recipient nations. Donor countries prioritize funding projects that align with their geopolitical or economic agendas, focusing on sectors such as infrastructure development or energy projects that benefit Northern markets. As a result, critical areas like adaptation, resilience-building, and local empowerment—which are essential for regions most vulnerable to climate impacts—receive significantly less attention. This dynamic ensures that climate aid is not truly an act of solidarity but an extension of Northern control over global climate governance.

The reliance on these market-based solutions within climate aid—such as carbon trading schemes and large-scale renewable energy projects—also reveals a fundamental disconnect between the way climate change is addressed in policy versus the lived realities of the communities bearing its brunt. The technical, top-down nature of these solutions often sidelines community-led adaptation efforts that focus on food security, water management, and traditional ecological practices, all of which are integral to creating long-term resilience in the Global South. These overlooked strategies emphasize a holistic approach to the climate crisis that respects local knowledge systems and promotes sustainable development.

In its current form, climate aid remains an illusion of generosity from the Global North, perpetuating the same inequalities that have historically contributed to the climate crisis. For climate aid to be genuinely effective, there must be a shift away from the technocratic, market-driven approaches and toward more just, inclusive models of aid distribution. This means rethinking the underlying assumptions that govern climate finance and focusing on solutions that prioritize community empowerment, local sovereignty, and ecological justice in the regions most affected by climate change. Only then can climate aid fulfill its promise of addressing the global crisis equitably.

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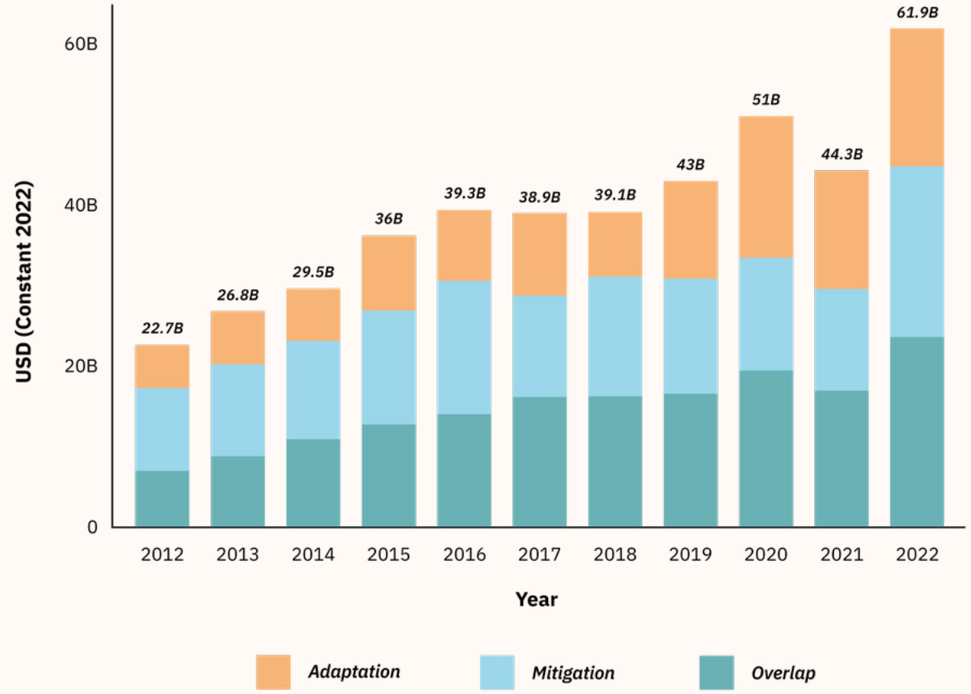
Climate Aid (OECD Donors)

Provider Perspective



Data Source: https://web-archieve.oecd.org/temp/2024-06-04/315401-climate-change.htm

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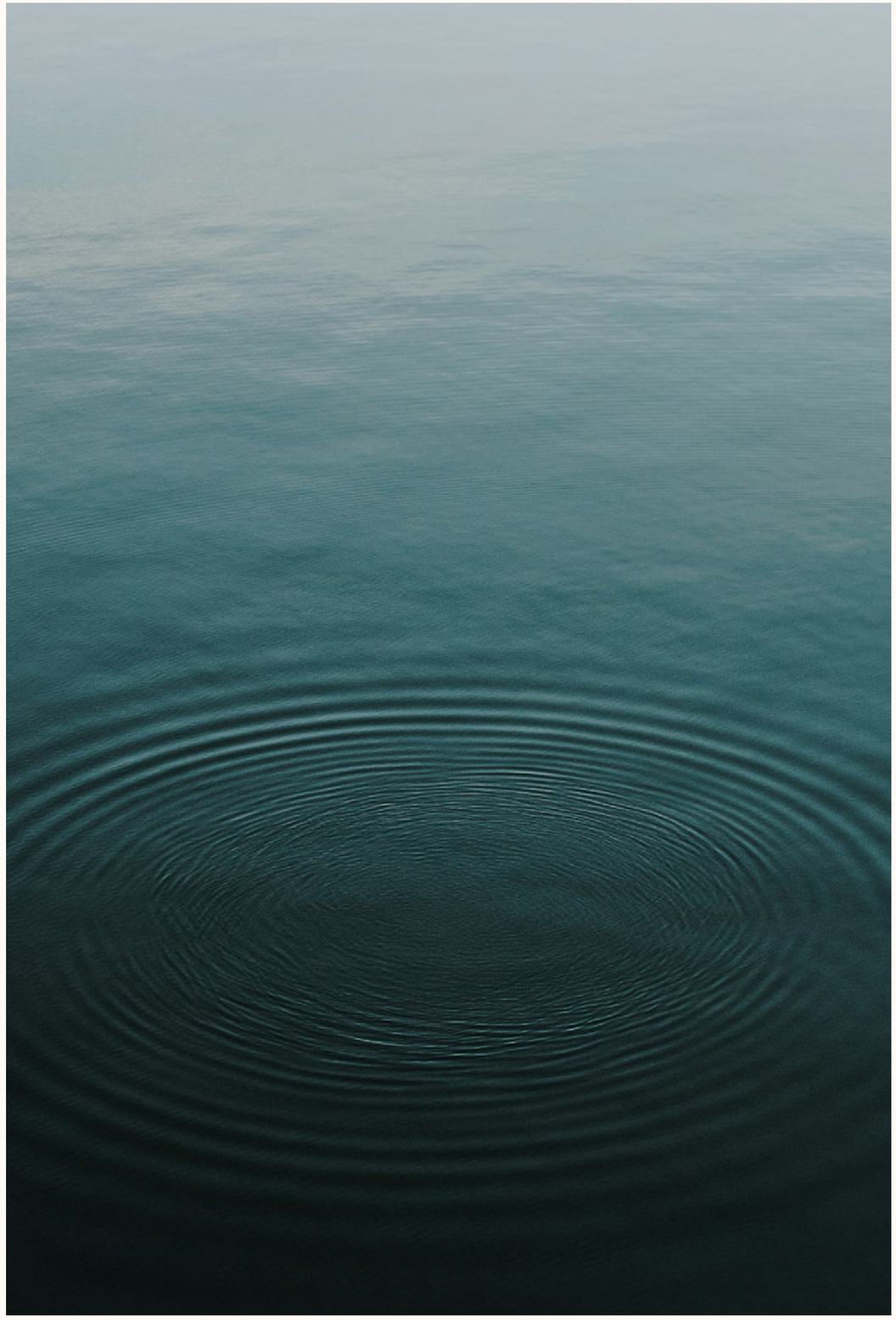

Revealing False Solutions in Light of Material Footprint

Wealthy nations claim to have decoupled CO2 emissions from GDP growth through renewable energy adoption. However, their Material Footprint—the total resources they extract and consume—shows that true decoupling has not occurred. The ecological impact of growth remains tied to resource use, revealing the limitations of focusing solely on CO2 emissions.

Why Material Footprint Matters:

Material Footprint includes all resources extracted and consumed, such as minerals, biomass, water, and energy, which are often externalized to other regions, particularly the Global South. This provides a more accurate measure of a country's ecological impact than CO2 emissions alone. While CO2 can be reduced by switching to renewable energy, Material Footprint exposes the broader environmental costs of maintaining high consumption levels.

For instance, renewable energy infrastructure like wind turbines and solar panels requires vast amounts of raw materials, adding to their Material Footprint. While these technologies reduce CO2 emissions, the ecological cost—deforestation, mining, and habitat destruction—remains hidden if we look only at CO2 metrics.

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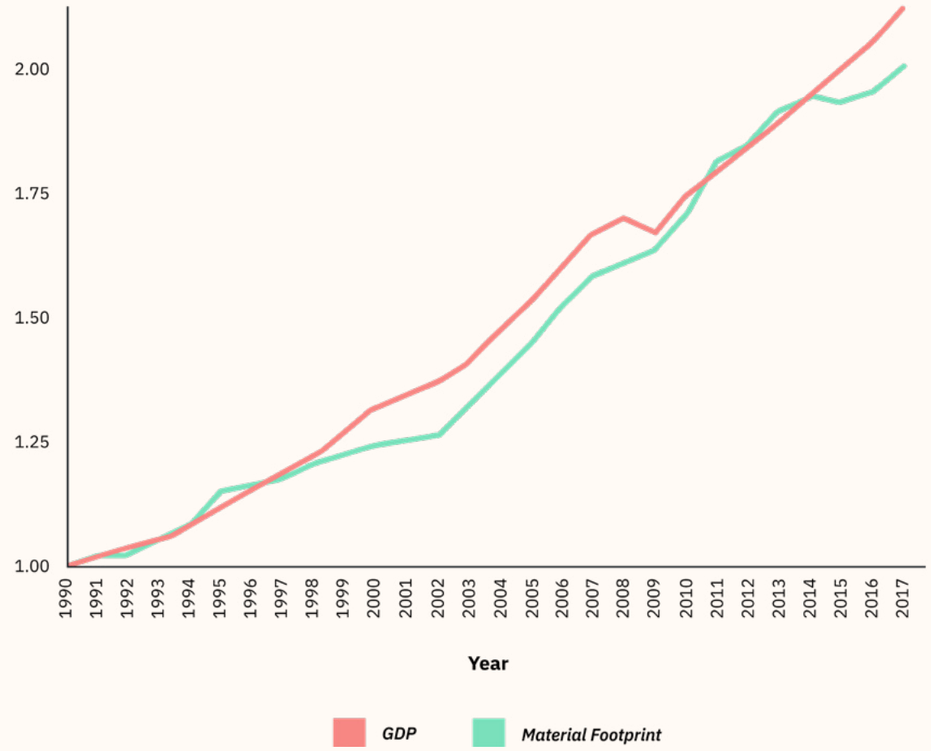
Global GDP and Material Footprint since 1990



Data Sources:

1. GDP Constant 2010 USD: World Bank (https://data.worldbank.org/)

2. Material Footprint:

a) 1990-2015: Krausman, et al. (https://doi.org/10.1016/j.gloencvha.2018.07.003)

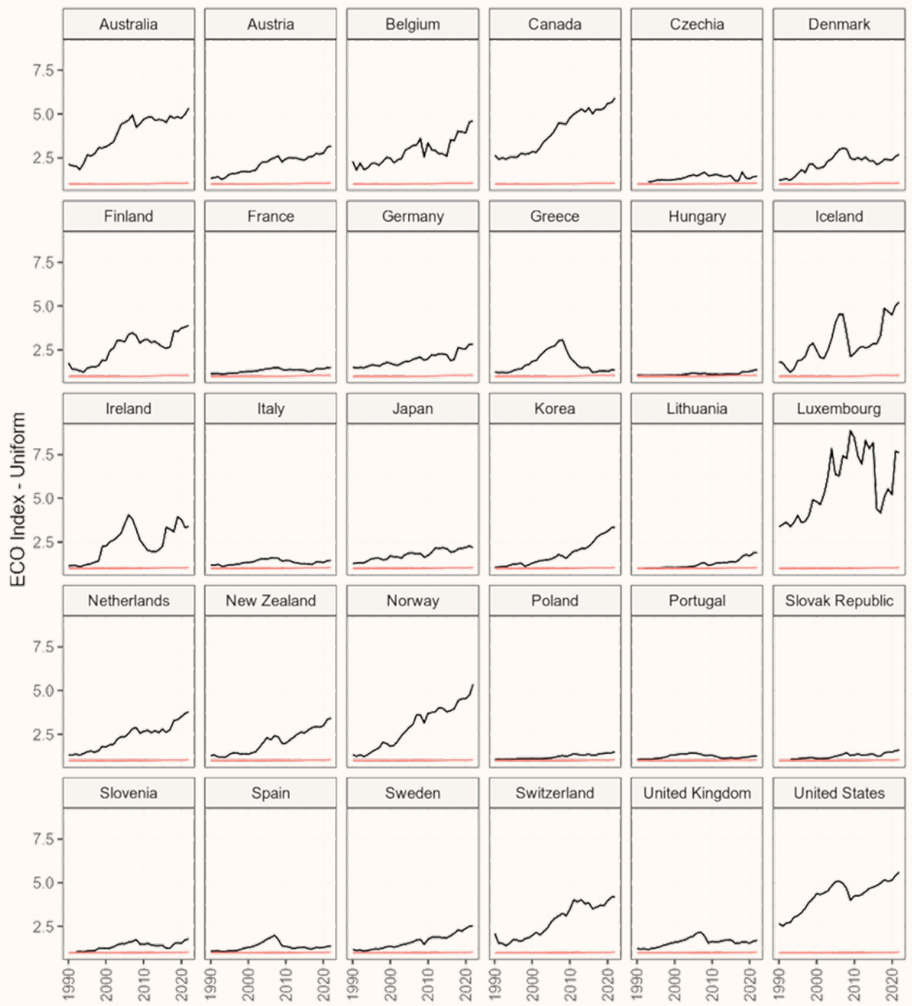
b) 2016-17: UNEP (https://www.resourcepanel.org/global-material-flows-database)

Global Ecological Impact of OECD Climate Donors

Compared with Costa Rica (in red), which ranks top on the Sustainable Development Index. A higher ECO index means the country fares worse ecologically. The ECO index is a composite index of each country's CO2 emissions and resource use (material footprint). For details, refer to https://www.sustainabledevelopmentindex.org/methods

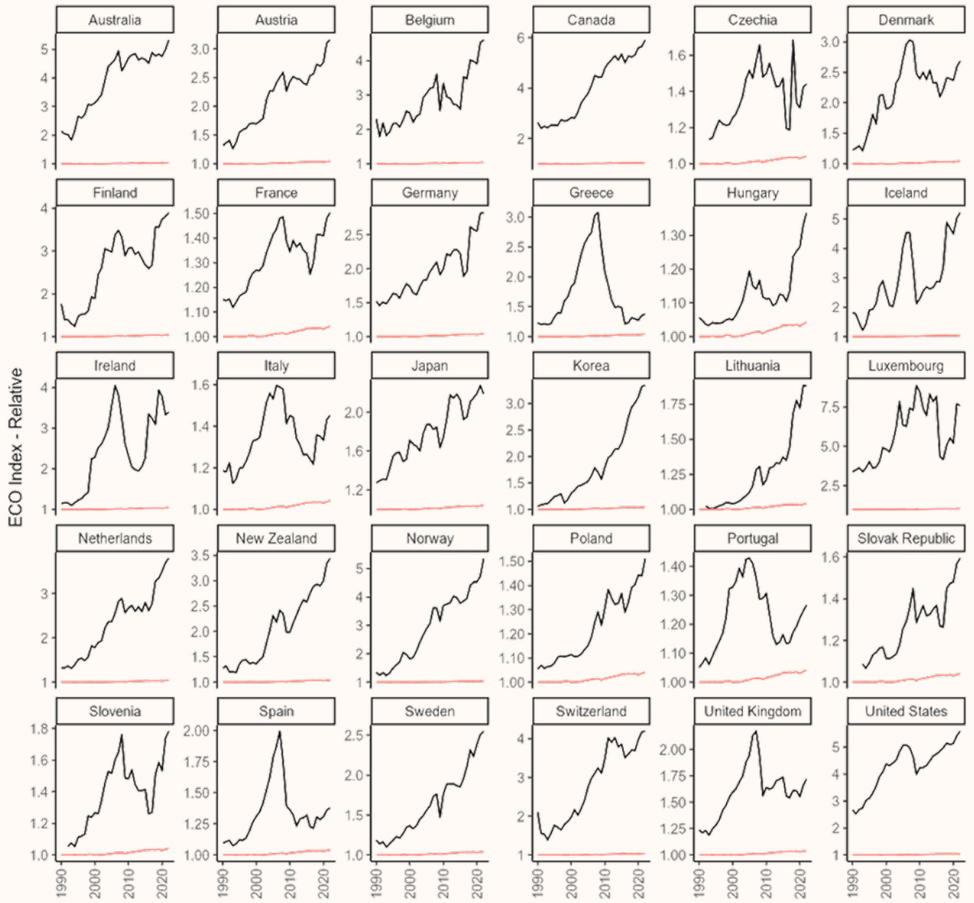
Same scale for all countries

To see which countries fare worse than others and by how much



Each country on its own scale

To see better how each country fares relative to Costa Rica individually



Data Sources:

Sustainable Development Index: https://www.sustainabledevelopmentindex.org/

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How Material Footprint Reveals False Decoupling:

Material Footprint exposes that the claim of decoupling GDP from CO2 emissions is misleading because:

1. CO2 decoupling reflects a narrow reduction of emissions but ignores the total resource consumption required to sustain economic growth. While emissions drop, the resource intensity of wealthy nations continues, particularly through consumption-driven economies.

2. Countries like Germany, which have reduced CO2 through renewable energy, still show high Material Footprints due to their reliance on imported goods and infrastructure that require significant resource extraction elsewhere. The damage is simply exported to other regions, making it seem as though decoupling is happening locally while global resource use continues to rise[48,49].

3. Empirical evidence from Jason Hickel's research shows that absolute decoupling—where both resource use and emissions decrease while GDP grows—has not been achieved globally. Even in countries like Germany and Japan, which have made progress in reducing CO2 emissions, the overall material consumption continues to rise, largely driven by high levels of consumption and the material demands of renewable energy technologies[50].

48 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*
49 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*
50 *Hickel, J. (2020). Less is More: How Degrowth Will Save the World. London: William Heinemann.*

The Broader Implications for Climate Aid:

Focusing only on CO2 reductions in climate aid allows wealthy nations to claim progress while ignoring the underlying resource dependencies that continue to drive ecological destruction. OECD climate donors, for example, fund projects that promote green energy, but they fail to address the overall resource consumption patterns that underpin economic growth.

Climate aid, under these circumstances, becomes a form of greenwashing—promoting solutions that reduce emissions in the short term but leave unchecked the resource extraction practices that are at the core of the ecological crisis. This is why Material Footprint must be the metric of focus when evaluating the true ecological impact of climate policies.

Material Footprint is a more comprehensive metric than CO2 emissions for assessing the true ecological impact of economic growth.

While wealthy nations may claim to have decoupled GDP from carbon emissions, their continued reliance on resource-intensive technologies and global supply chains shows that they have not decoupled from resource consumption. Climate aid that focuses only on emissions reduction without addressing the broader issue of resource use fails to address the deeper ecological crisis and allows wealthy nations to maintain the illusion of sustainability while continuing to drive global environmental degradation.

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Lopsided Responsibility for CO2 Emissions and the Injustice of Climate Aid Allocation

The Global North, particularly high-income countries like the U.S. and Europe, bears the greatest responsibility for CO2 emissions. Yet, the structure of climate aid disproportionately benefits these wealthier nations, compounding the injustice faced by the Global South, which has contributed the least to the climate crisis but suffers its worst impacts.

1. Disproportionate Responsibility for Emissions

The Global North is historically responsible for the bulk of the CO2 emissions driving the climate crisis. Between 1850 and 2019, 68% of cumulative CO2 emissions were produced by North America and Europe alone[51]. Industrialization and the consumption-driven economies of these regions have propelled their outsized contributions to global warming. In contrast, large parts of the Global South—regions like Africa, Latin America, and much of Asia—are responsible for only a small fraction of global emissions. For instance, Africa as a continent is responsible for less than 4% of cumulative CO2 emissions, yet faces severe consequences, such as desertification, extreme weather events, and food insecurity[52].

Hickel and others point out that the wealthiest 1% of the global population—predominantly located in the Global North—emit 100 times more CO2 than the poorest 50%[53]. These emissions are not only driven by energy consumption but also by the high levels of material consumption in wealthy countries, which extract and import vast resources from the Global South. This consumption-based model has exported environmental destruction to poorer nations, where resources are extracted to fuel the economies of richer nations[54,55].

51 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*
52 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*
53 *ActionAid. (2024). The industries fuelling the climate crisis are draining public funds in the Global South. Retrieved from https://actionaid.org/publications/2024/09/industries-fuelling-climate-crisis-draining-public-funds-global-south*
54 *ActionAid International. (2023). The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/banks-fuelling-climate-crisis*
55 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*

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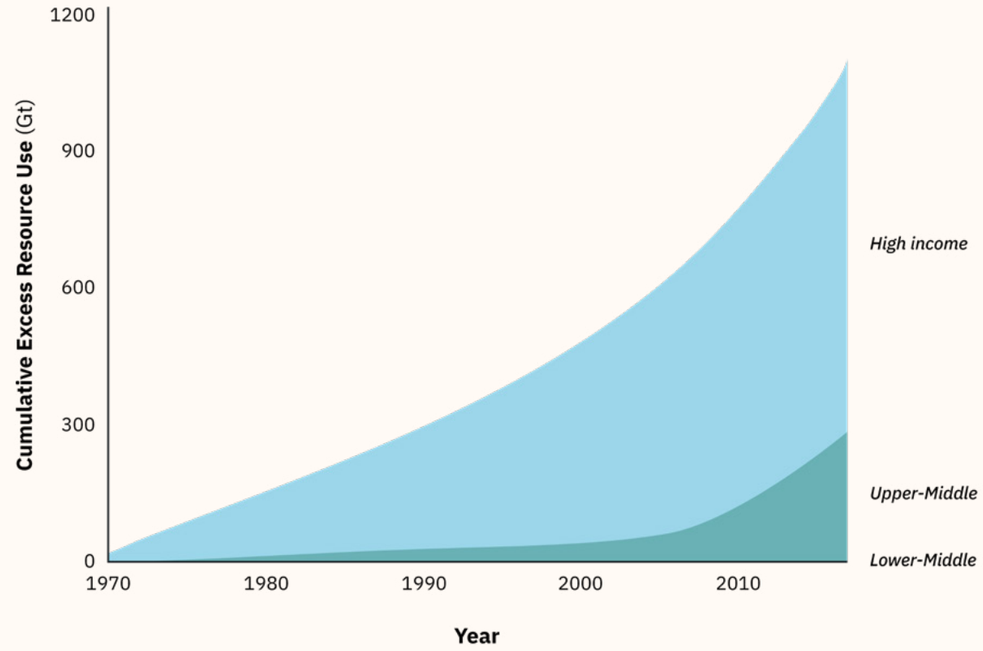
Cumulative excess resource use of countries by income group
1970 - 2017



Data Source: Hickel et al, The Lancet Planetary Health (2022)

2. Misallocation and Relabelling of Climate Aid

Despite the overwhelming responsibility of wealthy nations, climate aid is often insufficient or misallocated. One of the starkest examples of this is the relabelling of existing aid as climate finance. A 2024 report revealed that many wealthy countries met their $100 billion climate finance goal by diverting or reclassifying pre-existing development aid, rather than providing the "new and additional" funding that was promised at international climate negotiations[56]. Of the $115.9 billion in climate finance recorded in 2022, around $6.5 billion was simply repurposed from other aid budgets, failing to deliver new resources to address the climate crisis[41].

This reallocation not only fails to live up to the financial commitments made by the Global North but also redirects resources that were initially intended for broader development purposes, thus undermining essential social and economic projects in the Global South. As a result, countries that are already struggling with poverty and underdevelopment receive insufficient support to address both their development needs and climate vulnerabilities.

56 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*

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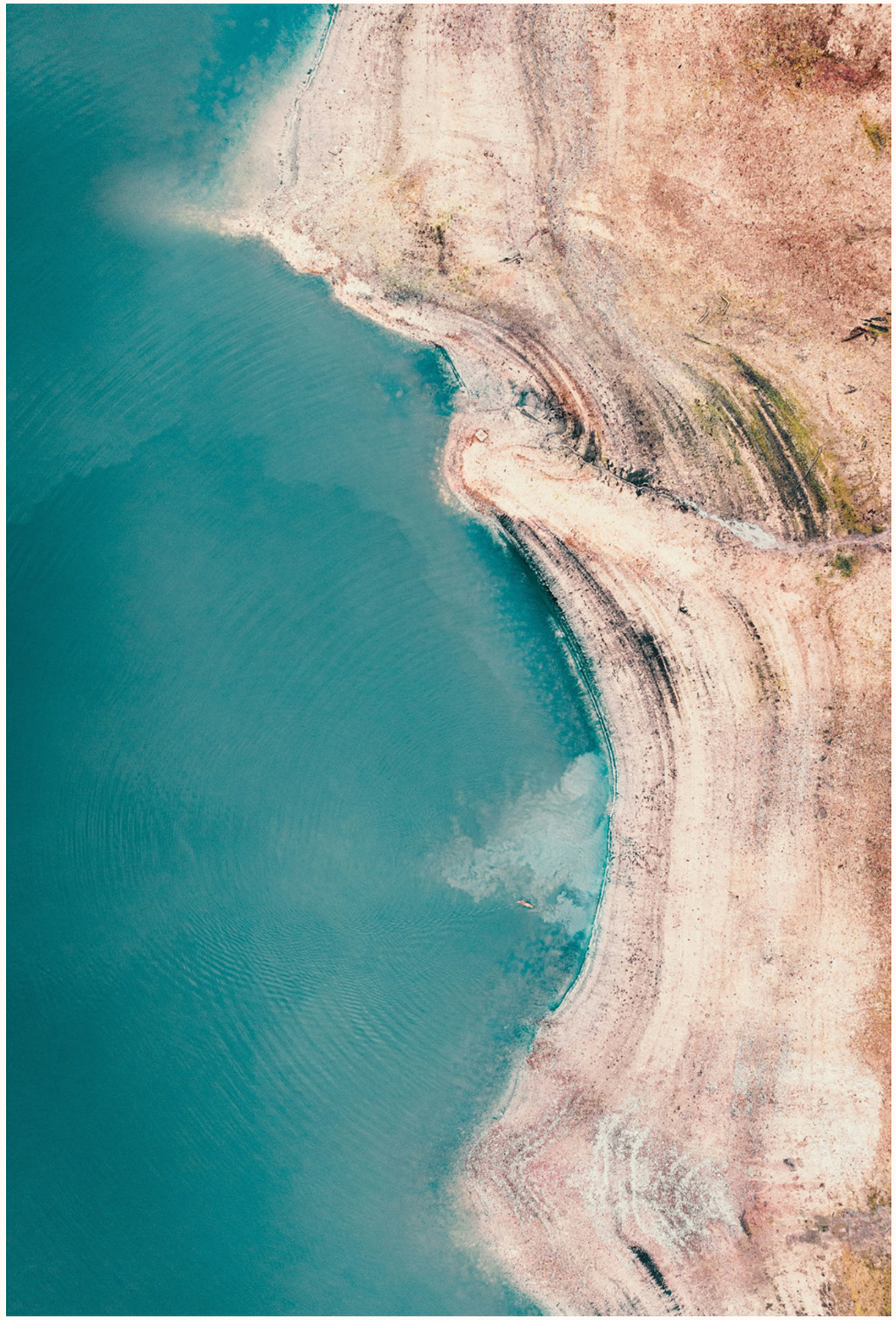

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3. Climate Aid Flowing Back to the Global North

Even more problematic is the fact that a substantial portion of climate aid actually benefits the Global North. Climate finance mechanisms, such as carbon offsets and large renewable energy projects, often funnel resources back to wealthy countries or their corporations. For example, renewable energy projects funded in the Global South are frequently designed to export energy to the Global North. Large-scale projects like the solar farms in Tunisia and Morocco are built with the goal of supplying energy to European countries rather than addressing local energy needs[57]. In Tunisia, for instance, despite the construction of renewable energy infrastructure, local communities still rely on imported fossil fuels from Algeria, while the green energy produced is slated for export to the EU[42].

Additionally, carbon offset schemes allow companies in the Global North to invest in projects that purportedly reduce emissions in poorer countries, such as reforestation or renewable energy. These projects, however, often serve the interests of wealthy nations, allowing them to continue polluting domestically while taking credit for emission reductions elsewhere. This practice of double counting emissions reductions—once by the host country and again by the investor country—creates the illusion of progress without reducing actual global emissions[40].

57 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*

4. The Realities of Public Finance in the Global South

ActionAid's research shows that climate finance in the Global South is frequently misdirected toward industries that exacerbate the climate crisis. Fossil fuels and industrial agriculture, two of the most destructive sectors for the climate, continue to receive massive public subsidies, while renewable energy projects remain underfunded. For example, from 2016 to 2023, fossil fuel industries in the Global South received $438.6 billion in public subsidies annually, while renewable energy received 40 times less[58].

This pattern of misallocation highlights the failure of climate finance to support genuine low-carbon development in poorer nations. Instead, public finance flows into sectors that worsen the climate crisis, leaving countries in the Global South locked into harmful development pathways while bearing the brunt of climate impacts.

58 *ActionAid. (2024). The industries fuelling the climate crisis are draining public funds in the Global South. Retrieved from https://actionaid.org/publications/2024/09/industries-fuelling-climate-crisis-draining-public-funds-global-south*

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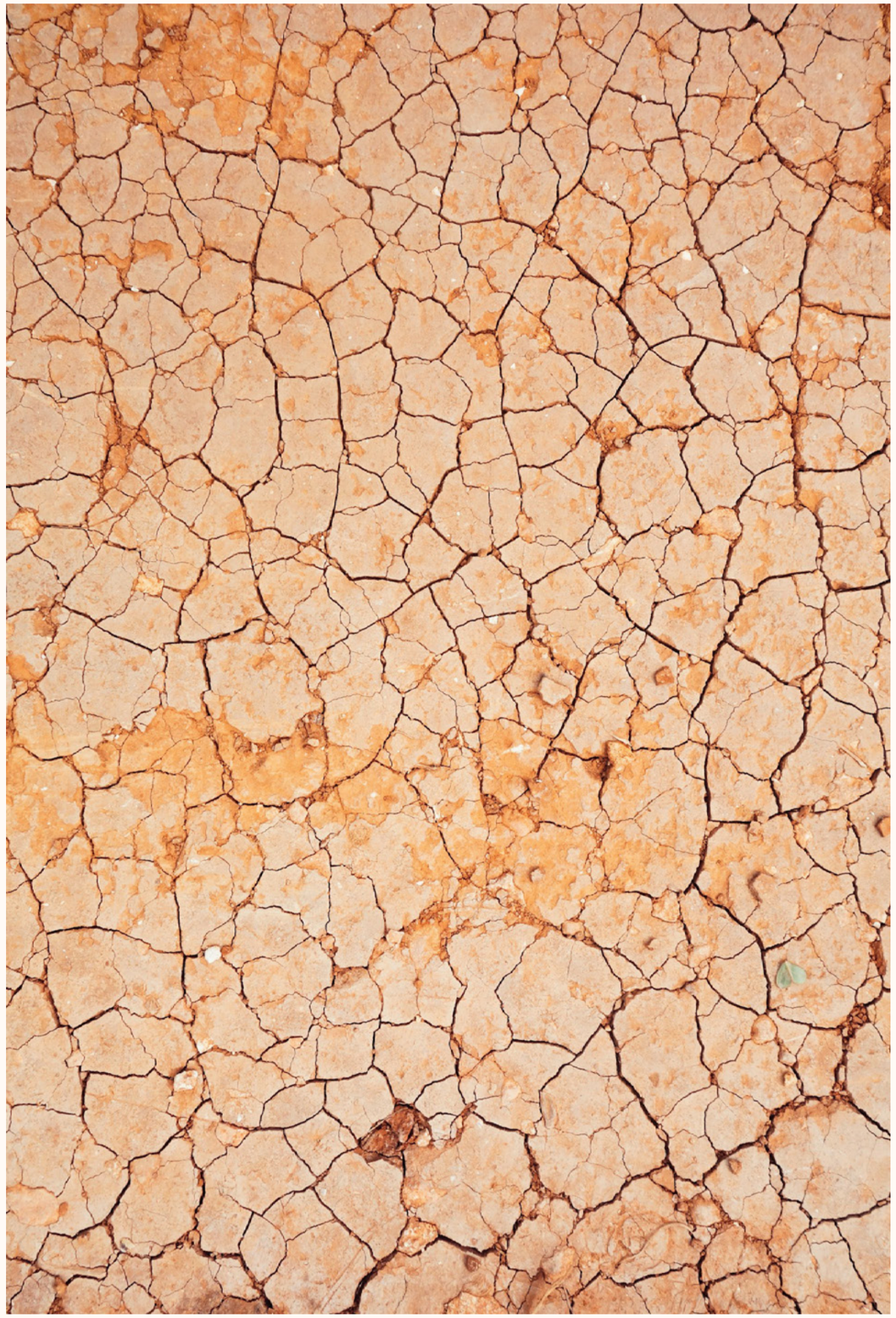

5. The Deep Injustice in Aid Distribution

The injustice in the current climate aid structure is clear: wealthy nations continue to benefit from the global aid system while failing to deliver sufficient support to those who need it most. The Global North not only receives financial benefits from climate aid through its private sector but also uses aid mechanisms like carbon offsets to continue emitting CO2 domestically.

As climate impacts intensify, poorer countries in the Global South are left to cope with rising sea levels, droughts, and food insecurity with inadequate financial and technological resources. Despite contributing little to the crisis, they are forced to adapt with limited aid while wealthier countries remain insulated from the worst effects and profit from the very mechanisms that are supposed to address the crisis they created[41,42].

The Global North is disproportionately responsible for the climate crisis due to its historical emissions and ongoing consumption-driven economies. Yet, climate aid systems fail to reflect this imbalance. Instead of focusing on the countries most in need, large portions of aid flow back to wealthier nations or their corporations, either through reclassification of existing aid or mechanisms that prioritize Global North interests. This profound misallocation and misdirection of climate finance perpetuates inequality and fails to deliver the meaningful support required for vulnerable countries to tackle the climate crisis. To rectify this injustice, climate finance must be restructured to genuinely address the needs of the Global South, with a focus on both adaptation and equitable development, rather than further enriching those historically responsible for the climate crisis.

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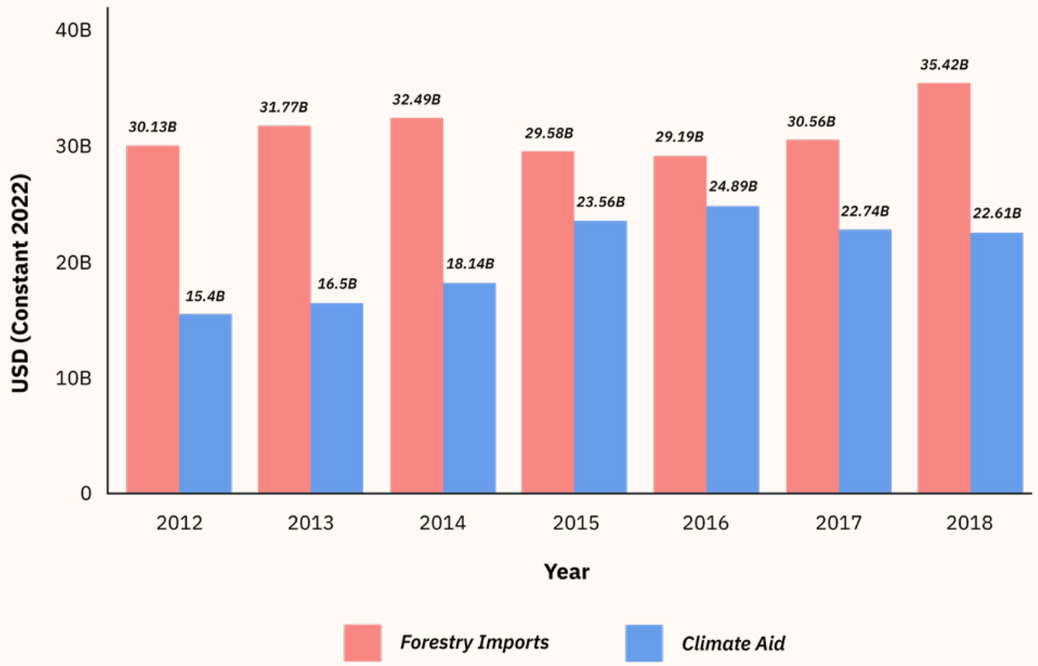
Giving from one hand while taking from the other

Forestry Imports vs. Climate Aid

Forestry imports are from the same group of countries that are being provided climate aid.
Both forestry data (from FAO) and aid data (by OECD members) are given for differing sets of years, and the range given, i.e. 2012-2018 is where the years for these two data sets overlap.



Data Sources:

1. Forestry Trade (FAO): https://www.fao.org/faostat/en/#data (Forestry items are wood and paper products)
2. Climate Aid (OECD): https://web-archieve.oecd.org/temp/2024-06-04/315401-climate-change.htm (Climate-related development finance from bilateral sources (OECD members))

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Unequal Exchange and Resource Drain – Structural Inequalities in Global Trade

The Global North continues to extract resources and labor from the Global South through unequal exchange, draining $62 trillion since 1960. This systemic exploitation, coupled with climate aid, exacerbates inequalities by leaving the South with fewer resources for sustainable development while enabling the North to sustain its consumption-driven economies.

Unequal Exchange and Global Resource Flows:

Unequal exchange refers to the structural imbalances in global trade where wealthier nations benefit disproportionately from the extraction of resources and labor in poorer nations. This creates a global economic system where the Global North, using the Global South's resources and cheap labor, accumulates wealth, perpetuating cycles of inequality.

Jason Hickel highlights that this system has led to the drain of $62 trillion from the Global South since 1960[59]. This figure underscores the massive resource flow that enriches the North at the expense of the South's development potential.

59 *Hickel, J. (2020). The Divide: Global Inequality from Conquest to Free Markets. W. W. Norton & Company.*

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Several mechanisms drive this unequal exchange:

1. **Low Wages and Exploitation:** Workers in the Global South are often paid significantly lower wages compared to their counterparts in wealthier nations, creating a system where labor is undervalued. The production of goods for wealthier markets, while producing large profits for corporations, does little to raise living standards in poorer countries. The drain of labor is particularly harmful to the economies of the South, where industries remain focused on low-value production that provides minimal returns[60].

2. **Dependence on Resource Exports:** Many Global South economies are dependent on the extraction and export of raw materials—such as minerals, oil, and agricultural products. These are traded for low prices in the global market, while wealthier nations capture the higher-value industrial and technological sectors. The North consumes more than 50% of global resources while externalizing the environmental and social costs to poorer countries[61]. This resource-export dependence hinders the development of diversified, sustainable economies in the Global South, as local industries are neglected in favor of maintaining global commodity chains.

3. **Environmental Impact and Externalization:** The ecological costs of this unequal exchange are profound. Resource extraction in the Global South often leads to deforestation, water depletion, and habitat destruction, with the environmental damage borne by poorer nations while the North enjoys the economic benefits. According to the ActionAid report, financing for fossil fuels and industrial agriculture in the Global South received $3.2 trillion between 2016 and 2023, exacerbating environmental degradation and reinforcing the North's overconsumption[62]. Meanwhile, public finance for sustainable solutions remains minimal.

60 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*
61 *ActionAid International. (2023). The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/banks-fuelling-climate-crisis*
62 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*

The Role of Climate Aid in Reinforcing Unequal Exchange:

Climate aid, while intended to help poorer countries adapt to and mitigate the impacts of climate change, often fails to address these deep structural inequalities. In some cases, climate aid may even exacerbate the problem by reinforcing the export-oriented growth models that have historically enriched the Global North at the expense of the South.

For example, renewable energy projects in the Global South, such as solar farms in Tunisia and Morocco, are primarily designed to export energy to wealthier countries, leaving local communities with inadequate energy access[63]. These projects mirror the patterns of unequal exchange, where the South provides resources and labor but the benefits—clean energy in this case—are largely captured by the North.

This further entrenches dependency on resource extraction while depriving Southern economies of the opportunity to develop locally driven, sustainable solutions to their energy needs.

Moreover, large-scale renewable projects are funded by multinational corporations based in the Global North, effectively funneling climate aid back to the very countries that benefit most from the current economic system[64].

63 New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south
64 Hickel, J. (2017). The Divide: A Brief Guide to Global Inequality and its Solutions. Penguin Random House UK.

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Why This is a Problem:

- **Entrenches Economic Dependency:** By continuing to rely on the Global South for raw materials and cheap labor, the Global North maintains an exploitative economic relationship that limits the South's ability to develop diversified, sustainable industries. This dynamic makes it harder for countries in the South to achieve economic independence or invest in their own climate adaptation and mitigation strategies[65].

- **Ecological Destruction:** The extraction of resources causes widespread environmental damage in poorer countries, further undermining their ability to adapt to climate change. This environmental destruction, externalized to the South, benefits the North but leaves the South more vulnerable to the very climate impacts that climate aid is intended to address[65].

- **Misallocation of Climate Finance:** Climate finance often supports projects that primarily benefit the Global North, either through energy exports or corporate profits. This misallocation prevents climate aid from effectively addressing the needs of the communities most affected by climate change.

Unequal exchange has created a global system in which the Global North continues to benefit from the extraction of resources and labor from the Global South[65]. Climate aid, while ostensibly aimed at addressing climate challenges, often reinforces these structural inequalities by funding projects that benefit the North[65]. To achieve true sustainability and equity, climate policies must address the root causes of these inequalities by supporting locally driven, sustainable development in the Global South and restructuring trade policies to ensure fair exchange.

65 *Hickel, J. (2021). Less is More: How Degrowth Will Save the World. Windmill Books.*

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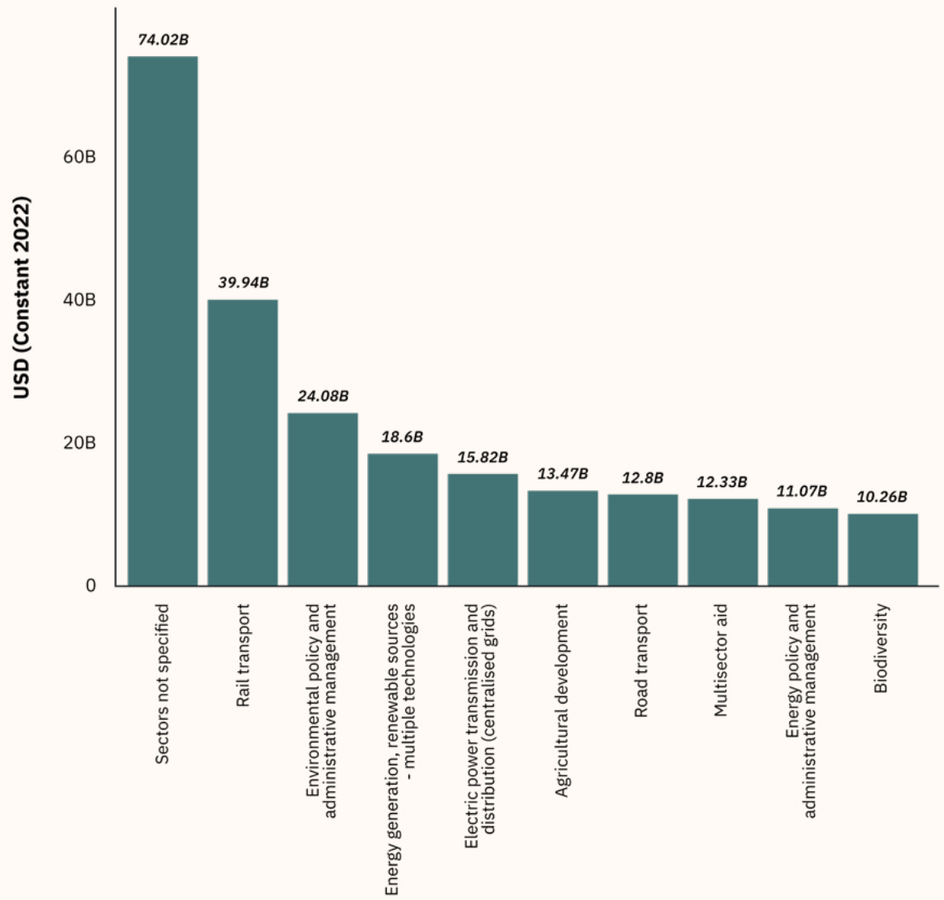
Climate Aid (OECD Donors)

By Sub sector - Top 10 (2012 to 2022)



Data Source: https://web-archive.oecd.org/temp/2024-06-04/315401-climate-change.htm

Misguided Climate Aid – Funding Destruction Instead of Mitigation

OECD climate donors channel funding into growth-oriented sectors like rail transport and industrial agriculture, which contributes to ecological destruction rather than mitigating climate change. Additionally, there is a lack of transparency in climate aid spending, raising concerns about greenwashing and misplaced priorities that undermine true sustainability efforts.

Misallocation of Climate Aid

Many climate aid projects are funded with the goal of reducing emissions, but a closer examination reveals that a large portion of this aid is misallocated. Instead of focusing on sustainable solutions that build resilience in climate-vulnerable communities, significant sums are channeled into growth-centric sectors that worsen environmental degradation, especially in resource-dependent economies.

Investment in Unsustainable Sectors

For example, rail transport, which has received large portions of climate aid, is often touted as a cleaner alternative to traditional transportation. However, when framed in terms of its broader material footprint and resource consumption, these projects contribute to long-term ecological damage. The steel, concrete, and land required for these projects have high ecological costs, leading to deforestation, habitat loss, and other environmental impacts in the Global South[66].

66 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*

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Funding Industrial Agriculture

Climate finance also frequently funds industrial agriculture, which is a major driver of deforestation and soil degradation. Instead of supporting sustainable farming practices like agroecology, aid often reinforces industrial-scale farming systems, which contribute heavily to carbon emissions and the destruction of ecosystems. Large tracts of land in the Global South are cleared for monoculture crops and livestock farming, primarily for export to the Global North, continuing the pattern of unequal exchange[67].

Transparency and Accountability Issues

A significant portion of climate finance is poorly accounted for, with much of it falling under opaque spending categories. Reports reveal that approximately $74 billion of climate aid remains unaccounted for, raising concerns about where the money is going and whether it is genuinely contributing to emission reductions or simply greenwashing existing projects[68]. Lack of transparency not only prevents proper oversight but also allows for the mislabeling of projects that benefit corporations in the Global North rather than addressing local climate impacts in the Global South.

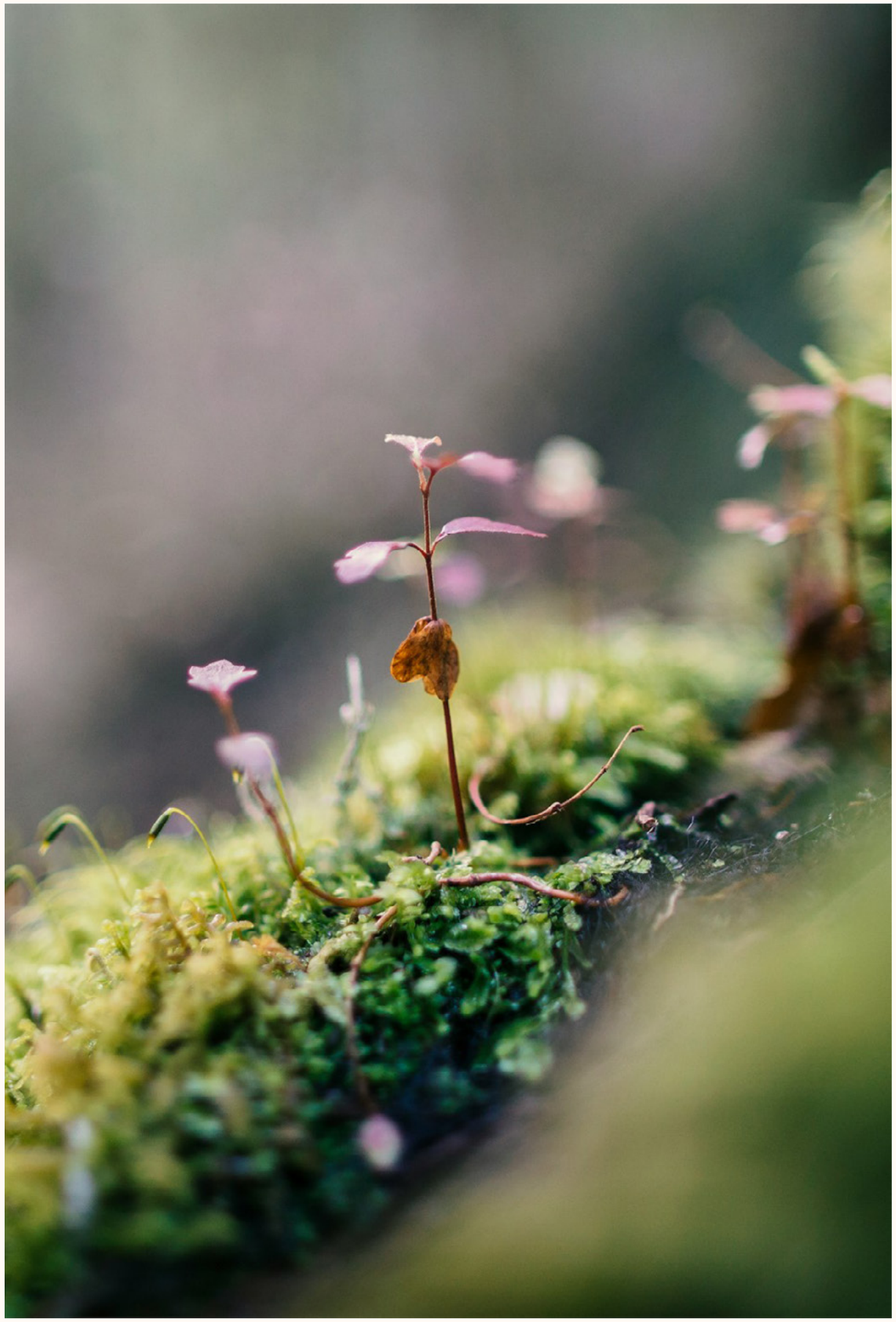
Carbon Offsets and Greenwashing

A significant proportion of climate finance goes toward carbon offset schemes, which often allow corporations to claim emission reductions by investing in projects in the Global South. However, these projects frequently fail to deliver meaningful emissions reductions and often displace local communities, leading to further social and environmental ha
This practice of using carbon offsets to balance emissions in the North without reducing actual consumption is a form of greenwashing that undermines the integrity of climate aid[69]

67 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*

68 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*

69 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*



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Pathways:

1. **Redirect Aid to Sustainable Development:** Climate aid should be focused on sustainable, community-driven development that addresses the unique needs of each region. This includes funding for agroecology, decentralized renewable energy systems, and sustainable land-use practices that empower local communities and build resilience against climate impacts[70].

2. **Improve Transparency:** To ensure that climate finance is being used effectively, there must be greater accountability and transparency in how funds are allocated. Independent oversight bodies should track aid flows and assess whether the projects receiving funding are truly contributing to emission reductions and sustainable development.

3. **Prioritize Local Solutions Over Global Growth Models:** Rather than reinforcing global supply chains that export resources and profits to the Global North, climate aid should prioritize local solutions that address the specific vulnerabilities of communities in the Global South. This means investing in small-scale, locally adapted projects that support climate adaptation and resilience, rather than large-scale industrial projects that primarily benefit wealthier nations[67].

70 ActionAid. (2024). The industries fuelling the climate crisis are draining public funds in the Global South. Retrieved from https://actionaid.org/publications/2024/09/industries-fuelling-climate-crisis-draining-public-funds-global-south

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NATO's Military Spending and Its Environmental Impact – Priorities Misaligned

NATO countries prioritize military spending over climate aid, significantly contributing to global CO2 emissions and ecological damage. This misalignment in priorities diverts critical resources away from addressing the root causes of the climate crisis, intensifies environmental degradation, and exacerbates the global migration crisis.

The Scale of NATO's Military Spending

NATO member countries, particularly the United States, account for a large portion of global military spending. Estimates show that NATO countries collectively represent 71% of global military expenditures[71]. The U.S. alone spent over $800 billion on defense in 2022, vastly overshadowing its climate aid contributions. This vast military budget not only diverts resources away from addressing the climate crisis but also contributes significantly to CO2 emissions and ecological damage.

1. **Military Operations and CO2 Emissions:** The U.S. military is the world's largest institutional consumer of oil, emitting more CO2 than many countries. If the U.S. military were a nation, it would rank high in terms of global emissions[72]. NATO's collective military operations, including logistics, troop deployments, and infrastructure maintenance, contribute heavily to emissions, deforestation, and land degradation.

71 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*
72 *Crawford, N. C. (2019). Pentagon Fuel Use, Climate Change, and the Costs of War. Watson Institute for International and Public Affairs, Brown University. Retrieved from https://watson.brown.edu/costsofwar/papers/ClimateChangeand-PentagonFuelUse*

2. **Environmental Impact of NATO's Activities:** Beyond emissions, NATO's military activities cause widespread ecological damage through habitat destruction, water contamination, and land degradation. This is particularly evident in the Global South, where NATO operations exacerbate environmental vulnerabilities in already fragile ecosystems[73].

3. **Misalignment of Priorities:** Despite their historical responsibility for much of the world's carbon emissions, NATO countries consistently prioritize military expenditures over climate finance. For example, the U.S. contributed approximately $11 billion to climate finance in 2022—less than 2% of its military budget[74]. This stark contrast highlights how defense spending is prioritized over addressing the existential threat of climate change.

4. **Military Spending vs. Climate Aid:** NATO countries continue to underfund climate aid, leaving the Global South—the regions most affected by climate change—without sufficient resources to adapt. This reinforces global inequalities, as poorer countries are forced to bear the brunt of climate impacts while wealthier nations focus on militarization[75].

5. **Opportunity Cost of Military Spending:** Resources currently devoted to military spending represent a significant opportunity cost. By redirecting even a fraction of these funds toward climate mitigation, renewable energy projects, and resilience-building initiatives in vulnerable regions, NATO countries could drastically accelerate the global fight against climate change. The resources that are poured into the military-industrial complex could be better used to promote sustainable development in the Global South[76].

73 *The Guardian. (2019). US military is a bigger polluter than as many as 140 countries – shrinking this war machine is a must. Retrieved from https://www.theguardian.com/commentisfree/2019/jun/12/us-military-pollution-war*
74 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*
75 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*
76 *Hickel, J. (2021). Less is More: How Degrowth Will Save the World. Windmill Books.*

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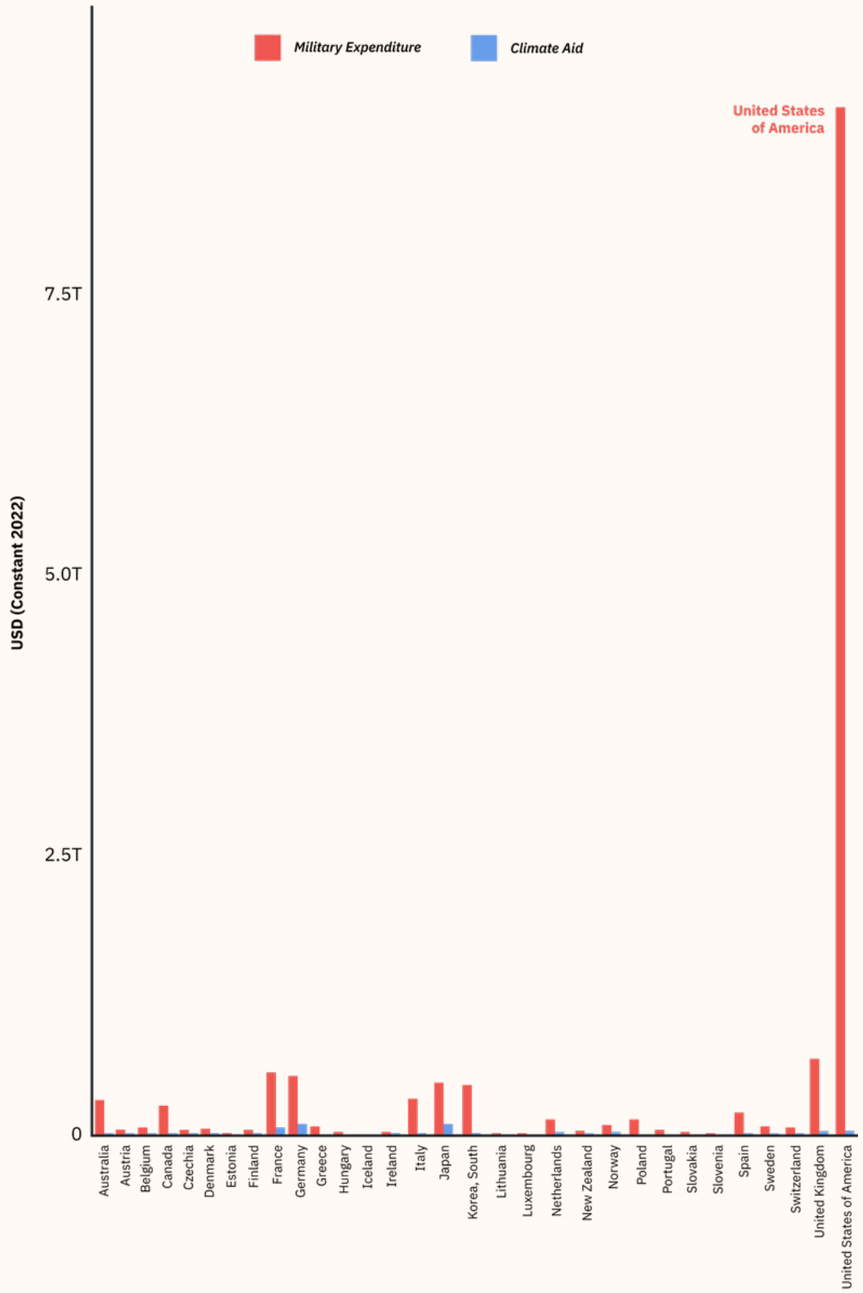
OECD Donors: How much they prioritize Guns over Climate Aid

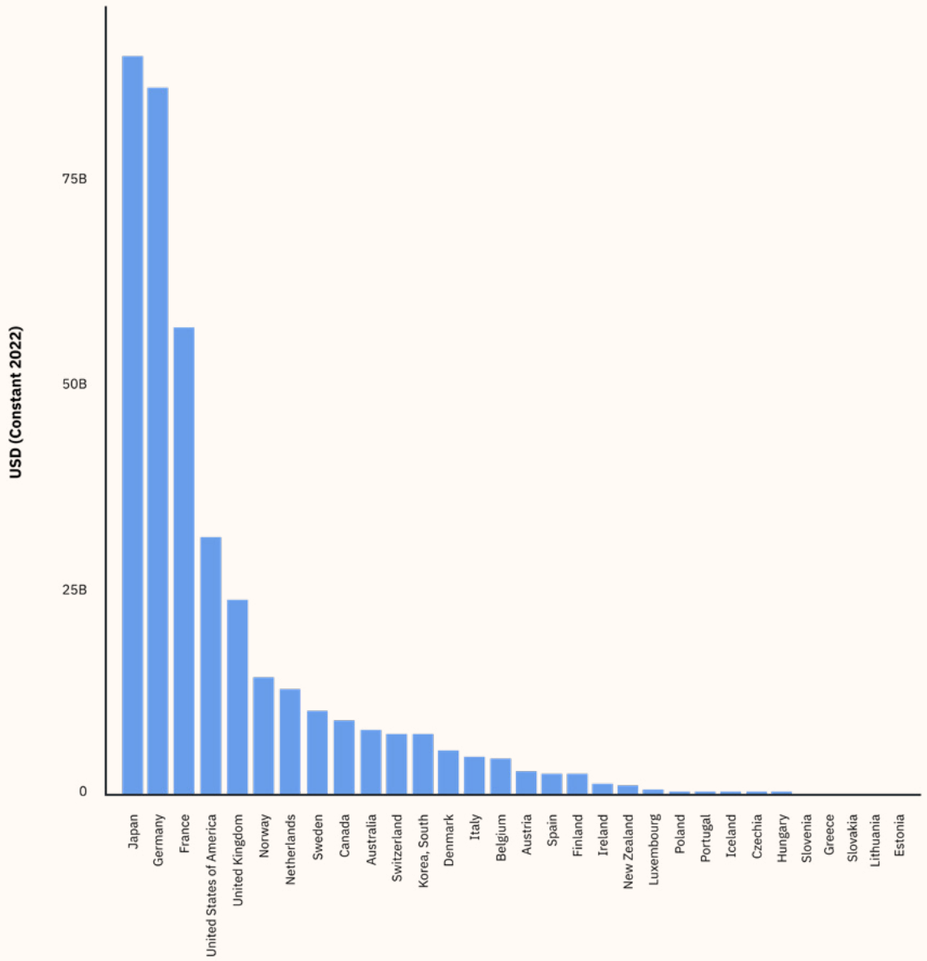
Total spent from 2012 to 2022 on both (Military Expenditure vs Climate Aid)



Data Sources:

1. Military Spending (SIPRI): https://milex.sipri.org/sipri (The SIPRI Military Expenditure Database gives the annual military spending of countries

Climate Aid



2. Climate Aid (OECD): https://web-archive.oecd.org/temp/2024-06-04/315401-climate-change.htm
(Climate-related development finance from bilateral sources (OECD members)).

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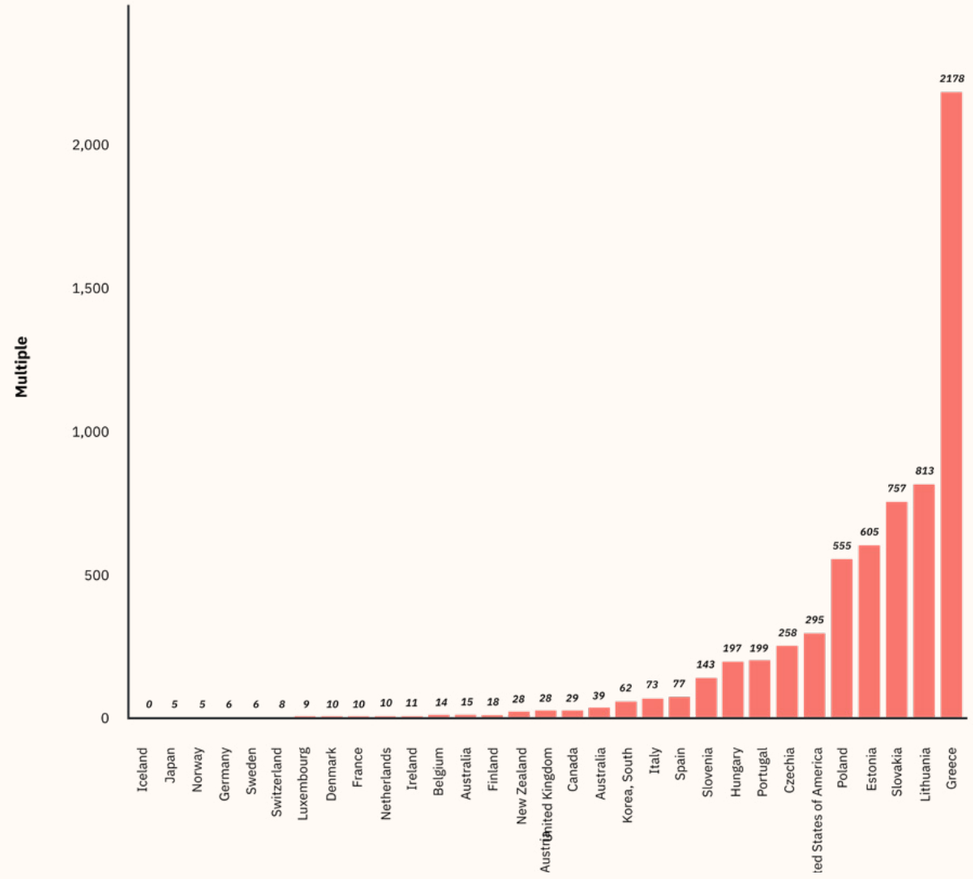
Military Expenditure as Multiple of Climate Aid



2. Climate Aid (OECD): https://web-archive.oecd.org/temp/2024-06-04/315401-climate-change.htm
(Climate-related development finance from bilateral sources (OECD members)).

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Linking the Migration Crisis to Climate and Military Spending

Climate change is a driving force behind the global migration crisis, with millions of people being displaced due to rising sea levels, droughts, and extreme weather events. The World Bank projects that 143 million people could be displaced by climate change by 2050 if significant action is not taken[77].

Rather than addressing the root causes of displacement through climate action, NATO countries are militarizing their borders and increasing defense spending to prevent migrants from entering wealthier nations. This not only exacerbates the suffering of displaced populations but also fails to address the underlying environmental degradation causing their displacement.

NATO's military spending and border militarization are fundamentally at odds with the global effort to combat climate change and promote climate justice. By dismantling militarism, rejecting border securitization, and prioritizing solidarity-based climate solutions, NATO countries can address the root causes of both climate change and the global migration crisis. A future grounded in equity, justice, and cooperation is only possible if NATO countries divest from militarization and invest in decolonized, community-driven climate action.

77 *World Bank. (2018). Groundswell: Preparing for Internal Climate Migration. Retrieved from https://www.worldbank.org/en/news/infographic/2018/03/19/groundswell---preparing-for-internal-climate-migration*

The Flaw of Carbon-Centric and Technocratic Solutions

The growth-centric model of climate finance prioritizes carbon-centric and technocratic solutions that fail to address the broader ecological crisis. By narrowly focusing on economic growth and CO2 reductions, these approaches perpetuate the exploitative systems that drive climate change, ignoring the need for ecological restoration and social justice.

Carbon-Centric and Technocratic Bias in Climate Finance

The current climate finance system is built on a carbon-centric model that measures success primarily by the reduction of CO2 emissions, ignoring the broader ecological and social impacts of the projects it funds. By emphasizing technological solutions such as renewable energy infrastructure, carbon capture, and geoengineering, this model overlooks the deeper issues of resource extraction, ecological degradation, and inequality.

1. **Technocratic Solutions Over Ecosystem Health:** Many large-scale climate projects focus on building technological infrastructure like solar farms and carbon capture facilities, which are often located in the Global South to serve wealthier regions. These projects not only perpetuate the colonial dynamics of resource extraction but also fail to address the local ecological damage caused by such installations[78]. The reliance on high-tech solutions ignores the potential for natural climate solutions, such as reforestation, wetland restoration, and community-based agroecology, which offer more sustainable, holistic approaches.

78 *Hickel, J. (2021). Less is More: How Degrowth Will Save the World. Windmill Books.*

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2. **Carbon Markets and Offsetting:** The carbon markets that underpin much of climate finance allow wealthy countries and corporations to continue emitting CO2 while buying credits from projects in poorer countries. This approach commodifies nature, turning ecosystems into carbon sinks that are controlled by global markets. Carbon offsetting, while appealing on paper, often leads to the displacement of indigenous communities and the destruction of local ecosystems, all in the name of preserving the carbon balance[79]. This highlights the problematic assumption that carbon accounting can substitute for real, systemic change in consumption and resource use.
3. **Growth-Driven Resource Extraction:** The focus on green growth perpetuates the resource extraction paradigm, as seen in the increasing demand for minerals like lithium, cobalt, and rare earth metals for renewable technologies[80]. These resources are mined in the Global South, often with little regard for the local environmental impacts, such as deforestation and water pollution. Instead of transitioning to a just, regenerative economy, climate finance reproduces the neocolonial dynamics of resource extraction that have historically fueled environmental and social injustice.

79 *Carbon Brief. (2024). Rich countries met $100bn climate-finance goal by 'relabelling existing aid'. Retrieved from https://www.carbonbrief.org/rich-countries-met-100bn-climate-finance-goal*
80 *New Internationalist. (2023). How renewables corporations are exploiting the Global South. Retrieved from https://newint.org/features/2023/09/07/how-renewables-corporations-are-exploiting-global-south*

Why This is a Problem:

- **Narrow Focus on CO2:** The carbon-centric model overlooks other critical factors such as biodiversity loss, soil degradation, and water scarcity. While reducing carbon emissions is crucial, it is not the only metric by which we should measure climate progress. The health of ecosystems is being ignored in favor of narrowly defined carbon metrics that fit into global financial markets but do not consider the well-being of communities and the planet[81].
- **Technology Over People and Nature:** Technocratic approaches like geoengineering and carbon capture reflect the idea that technological fixes alone can solve the climate crisis. However, these solutions are often expensive, experimental, and may have unintended consequences. Worse, they divert attention and funding away from proven, low-cost solutions like reforestation, regenerative agriculture, and indigenous land stewardship[82].

81 *Hickel, J., & Kallis, G. (2020). Is Green Growth Possible?. New Political Economy, 25(4), 469–486. https://doi.org/10.1080/13563467.2019.1598964*
82 *ActionAid International. (2023). How the finance flows: The banks fuelling the climate crisis. Retrieved from https://actionaid.org/publications/2023/09/how-finance-flows-banks-fuelling-climate-crisis*

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Pathways:

1. **Shift from Carbon-Centric to Ecosystem-Centric Approaches:** Climate finance must shift away from focusing solely on carbon emissions and instead prioritize ecosystem restoration and biodiversity. By investing in natural climate solutions such as forest restoration, wetland protection, and sustainable agriculture, climate finance can foster more resilient ecosystems that provide long-term benefits to both the climate and local communities[83].

2. **Invest in Socially Just, Regenerative Projects:** Rather than funding large-scale infrastructure and technocratic solutions, climate finance should support community-led, regenerative projects that are grounded in local knowledge. This includes investing in agroecology, water management, and commons-based governance systems that allow communities to sustainably manage their own resources. Indigenous and local knowledge systems should be respected and supported as key drivers of climate resilience[84].

3. **Reject Carbon Markets and Technocratic Bias:** Climate finance must stop relying on carbon markets and offsetting schemes that perpetuate neocolonial exploitation. Instead, we should focus on building a decentralized, regenerative economy that values the health of ecosystems and the well-being of people over financial profits. Carbon offsets and market mechanisms are not real solutions—they merely allow wealthy nations and corporations to delay meaningful climate action while continuing to extract resources from the Global South[85].

The carbon-centric, technocratic model of climate finance perpetuates the same economic and environmental injustices that have driven the climate crisis. Rather than focusing narrowly on CO2 emissions, climate policy must prioritize ecosystem health, regeneration, and social justice. By rejecting the growth-driven, profit-centered paradigm and investing in local, sustainable projects, we can build a more equitable and resilient future.

83 *Hickel, J. (2020). The Divide: Global Inequality from Conquest to Free Markets. W. W. Norton & Company.*
84 *ActionAid. (2024). The industries fuelling the climate crisis are draining public funds in the Global South. Retrieved from https://actionaid.org/publications/2024/09/industries-fuelling-climate-crisis-draining-public-funds-global-south*
85 *World Bank. (2018). Groundswell: Preparing for Internal Climate Migration. Retrieved from https://www.worldbank.org/en/news/infographic/2018/03/19/groundswell---preparing-for-internal*

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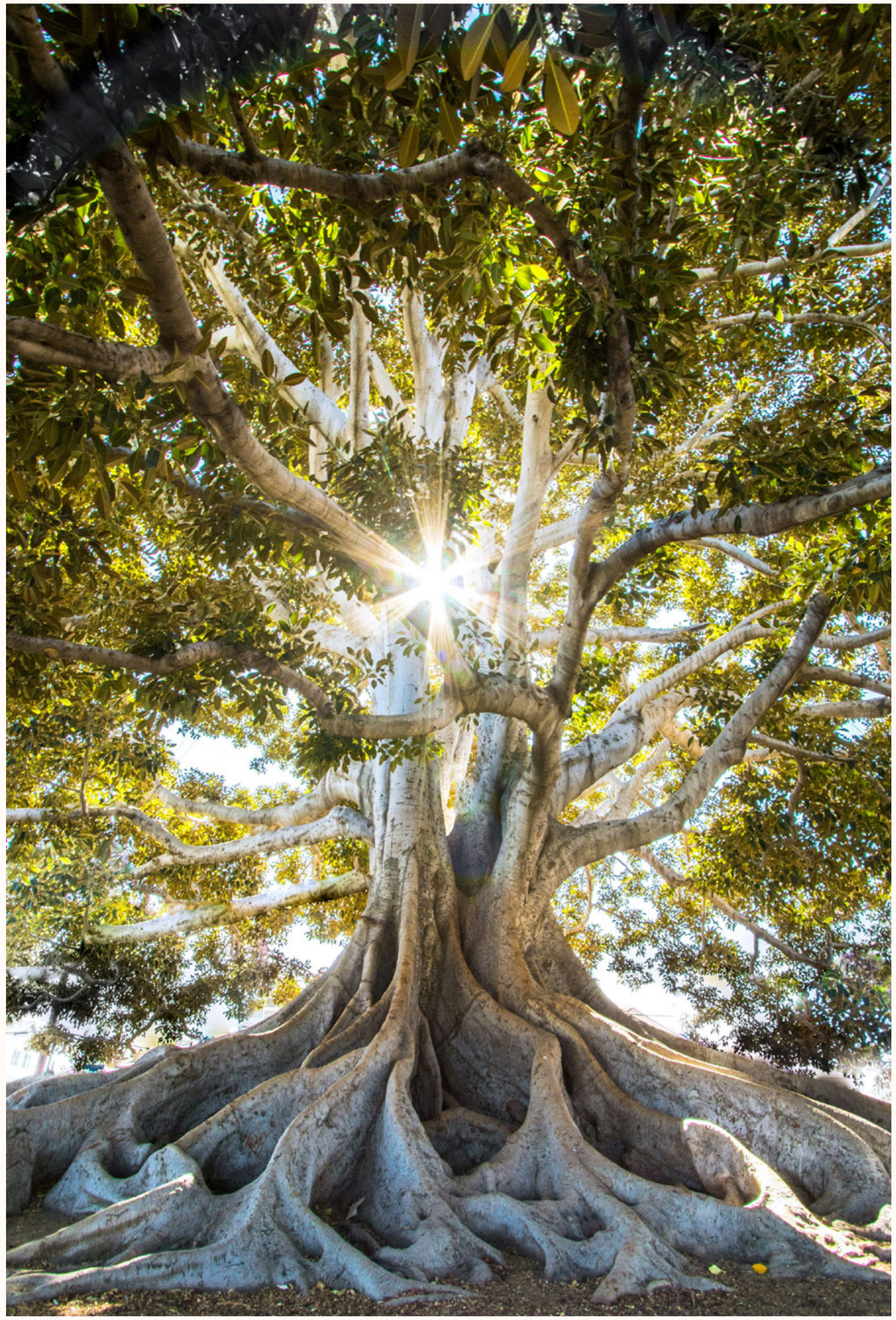

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How Philanthropy and Aid Miss the Real Crisis